

GAB

GPO

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A MESSAGE FROM THE PUBLIC PRINTER

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GPO's fundamental responsibility is to ensure that Government information products and services are produced and distributed with the highest possible quality, in the most timely manner, and at the lowest possible cost.

overnment information is one of our most valuable national assets. It is a tool for managing Government operations, a means for ensuring accountability of Government actions, a commodity with economic value in the open marketplace, and a window on Government activities that is essential to the preservation of our self-governing society.

The value of this window was recognized by our Founding Fathers. "A popular Government without popular information, or the means of acquiring it," said James Madison, "is but a prologue to a Farce or a Tragedy; or perhaps both. Knowledge will forever govern ignorance: And a people who mean to be their own Governors, must arm themselves with the power that knowledge gives."

Today, the Government Printing Office (GPO) serves as the "means of acquiring" Government information that Madison spoke of, producing and procuring information products and services for Congress and more than 130 Federal agencies, and distributing them to the public through a variety of mechanisms, including the popular Sales of Publications and Depository Library Programs.

GPO's fundamental responsibility is to ensure that Government information products and services are produced and distributed with the highest possible quality, in the most timely manner, and at the lowest possible cost. For if production quality is poor, the quality of the information itself is impaired, and the Government's obligation to fully inform the Nation is compromised. If information products and services are not provided in a timely manner, the orderly conduct of Government business is impeded, and their value to the public is diminished. And if the cost of information products and services is too high, it restricts the flow of information to the public, and imposes an unreasonable burden on the taxpayer.

Minimizing the costs and maximizing the quality and timeliness of information products and services must remain the watchwords for GPO in the 1990s. And these watchwords must apply not only to printed products, but to the products and services that characterize the new Information Age—CD-ROM's, optical disks, on-line database services, and others, all of which are being used to reproduce and disseminate an increasing amount of Government information. If GPO fails to harness these technologies, the window on Government activities will slowly but certainly close. The choices we make today with regard to these technologies will determine how effectively GPO will continue to provide a "means of acquiring" Government information in the coming years.



GPO ended fiscal year 1990 in sound financial condition, generating a consolidated net income of \$10.1 million, an increase of approximately 11 percent over fiscal year 1989. While total revenues decreased 9 percent to \$935.6 million from the previous year, net income was achieved in every major GPO program area: plant printing, purchased printing, and sales of publications.

GPO's financial condition at year-end, however, does not fully reveal what was set in motion—and achieved—during 1990. Soon after taking office in March, I directed a thorough review of our financial condition and program policies. The results of that review were incorporated into a series of goals and objectives for GPO, forming a blueprint of the actions we intend to pursue in



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the coming years to ensure that GPO remains an effective “means of acquiring” Government information into the next century.

This blueprint has three principal goals. We intend to maintain and improve client satisfaction with our products and services by reducing costs and improving quality and timeliness, and by providing more responsive client services. We intend to modernize GPO’s operations by establishing a program for acquiring cost-effective production technologies and providing the necessary employee training for those technologies. And we intend to determine our future role in the execution of Federal information policy by establishing a bold but workable strategic plan, and by pursuing the legislative modernization of GPO’s statutory mandate.

The highlights of the progress we made on these goals in the final six months of 1990 are worth reviewing:

- **New management initiatives have reduced controllable expenses, making GPO a leaner, more efficient agency;**
- **Staff changes and reorganizations, including the creation of a Chief Financial Officer, have given GPO new management capabilities;**
- **Responsiveness to Congress and Federal agencies has been re-established, and client-oriented service provision has been restored;**
- **Innovative alternatives for publications pricing and distribution have been developed;**
- **GPO’s use of recycled paper in Government printing has been expanded;**
- **A comprehensive plan for the use of alkaline paper in Government printing has been developed and implemented;**
- **Public access to Government information in electronic formats through GPO’s Depository Library Program has been improved; and**
- **An effective strategic planning and equipment acquisition program has been revitalized.**

Considering the brief span in which these initiatives were undertaken, GPO compiled a substantial record of achievement in 1990, a record that promises to provide significant benefits for the Government and the public in the coming years.



At the end of the fiscal year, the General Accounting Office released an assessment of GPO’s operations that focused on data accumulated from previous years. The report was critical of what it characterized as costly and wasteful production systems that use outdated equipment, insufficient printing procurement information systems, unresponsive relationships with client agencies, weak managerial accountability, and a lack of strategic planning.

I testified on a draft version of this report in hearings before the Joint Committee on Printing in July, and I provided written comments that were printed with the final report. As I noted on both those occasions, the problem:

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detailed in the report are managerial and not structural or systemic in nature. There is no reason to believe that GPO cannot accomplish its statutory mission in an efficient and economical manner.

Nor is there any reason to believe that the dedicated men and women of GPO's workforce cannot rise to this challenge. Recently, two of GPO's employees were commended by President Bush for their work in achieving significant printing and distribution cost savings for the Government. In conveying his congratulations, the President observed that they "have demonstrated to an exceptional degree my belief that Federal employees have the knowledge, ability, and desire to make a difference." In my view, the President's words apply equally to all of GPO's employees who have consistently proven that they have the skill, the confidence, and the commitment to public service to make a difference in meeting the information needs of the Government and the Nation.

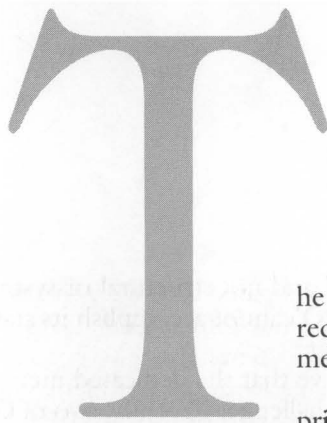
The most appropriate remedy to the challenges confronting GPO today lies in effective action by GPO's management and employees alike to control costs and improve the quality and timeliness of our products and services, and to move forward aggressively to adapt our operations to electronic information technologies. This is the course that was set for GPO in 1990 with the issuance of our goals and objectives, and it has been a successful course so far.

In 1990 we forged a new consensus on the need for improvements to GPO's operations. The consensus represents a re-orientation of GPO to the fulfillment of our basic mission, and a reaffirmation of GPO's responsibility to serve as the "means of acquiring" Government information that was envisioned by our Founding Fathers. This is the task we face as we enter the final decade of the twentieth century.

A handwritten signature in black ink, appearing to read 'R. W. Houk', with a stylized, flowing script.

ROBERT W. HOUK
Public Printer
April 1991

FINANCIAL HIGHLIGHTS



The public printing and documents chapters of Title 44, United States Code, require GPO to fulfill the printing and binding needs of the Federal Government and distribute Government publications to the public.

GPO's printing and binding activities are performed by a Central Office printing and printing procurement facility in Washington, DC, and 6 regional printing plants, 14 regional procurement offices, and 6 satellite procurement facilities located around the Nation.

Distribution activities are overseen by GPO's Superintendent of Documents, and include the sale of publications, distribution to depository and international exchange libraries, agency and statutory distribution, and the cataloging and indexing of Government documents. These activities are performed from centrally-located operations in Washington, DC, from distribution centers in Laurel, MD, and Pueblo, CO, from a Congressional Sales Outlet in Washington, DC, and from 23 GPO bookstores nationwide.

All GPO activities are financed through a revolving fund which is reimbursed by payments from client agencies, sales to the public, and transfers from the Congressional Printing and Binding Appropriation and the Salaries and Expenses Appropriation of the Superintendent of Documents. These annual appropriations are used to reimburse GPO for costs incurred in performing Congressional work and to fulfill statutory requirements associated with the distribution of Government publications. Reimbursements from these appropriations are included in GPO's total revenues.

GPO achieved a consolidated net income for fiscal year 1990 of \$10.1 million, compared to \$9.1 million for fiscal year 1989.

Results of GPO Operations

GPO achieved a consolidated net income for fiscal year 1990 of \$10.1 million, compared to \$9.1 million for fiscal year 1989. The change is attributable to the increased profitability of plant production operations. Consolidated revenue decreased by \$83 million in 1990 to \$935.6 million due to a decrease in commercial printing revenue, about one-third of which was associated with Decennial Census materials that were printed in 1989. Total expenses decreased by \$84 million to \$925.5 million as the result of a commensurate decrease in commercial printing costs. GPO's Sales of Publications operations generated net income of \$6.4 million.

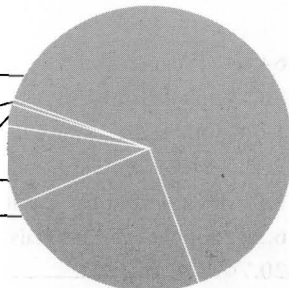
Consolidated Printing and Binding Operations

In 1990, GPO's in-plant and commercially-procured products and services

GPO's 1990 Revenue Dollar

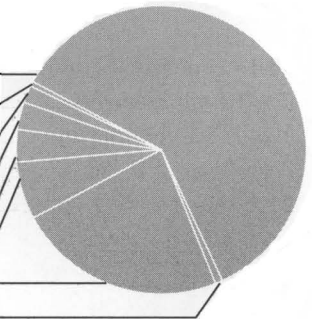
Where It Came From

63.7¢/Purchased Printing
.5¢/Reimbursements
2.7¢/S&E Appropriation
8.9¢/Sales of Publications
24.2¢/In-House Printing



Where It Went

60.2¢/Procured Printing
.6¢/Capital Expenditures
1.8¢/Other
3.1¢/Sales of Publications
3.6¢/Rents, Comm., Utilities
6.4¢/Supplies & Materials
23.2¢/Labor
1.1¢/Surplus



During the year, GPO produced or procured 1.9 billion publications on 380,580 printing orders, an average of 1,464 orders per day.

generated revenue of \$864.2 million, compared to \$952.9 million in 1989, representing 92 percent of GPO's total revenue (after eliminations). Revenue from commercially-procured printing was \$634.6 million or 76 percent of total printing and binding revenue (net of revenue from sales of blank paper and Other Operations). During the year, GPO produced or procured 1.9 billion publications on 380,580 printing orders, an average of 1,464 orders per day. The average value of an order produced in-house at the Central Office plant was \$5,226, while for regional plants it was \$727. The average revenue generated from a commercially-procured job was \$1,917. GPO used or sold 93.2 million pounds of paper in 1990. Of this, 42 percent was sold to Government agencies and 58 percent was used for in-house printing.

Central Plant Printing Operations

GPO's Central Office plant printing operations (excluding Materials and Other Operations) earned \$5.6 million in net income in 1990, compared to a net income of \$263,000 for 1989. The increase in net income was due primarily to an increase in the prices charged for printing products and services, as well as an increase in work performed. Revenue was \$154.8 million, an increase of \$6.2 million over 1989. The increase in revenue attributable to the increased Scale of Prices was offset by the transfer in 1990 of *Federal Register* sales from plant production operations to the Sales of Publications Program. Expenses totaled \$149.2 million, an increase of \$900,000 from the previous year.

Regional Printing Operations

GPO's regional printing operations experienced a combined net loss of \$4.5 million in 1990, compared to a net loss of \$3.4 million in 1989, due primarily to a decrease in work performed.

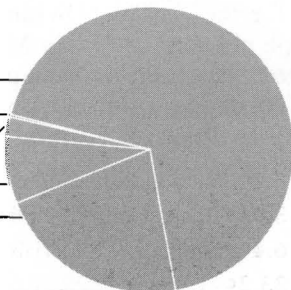
Materials and Other Operations

Materials and Other Operations, consisting of paper, materials, supplies, and the sale of waste and scrap, experienced a net loss of \$880,000 in 1990, compared to a net loss of \$309,000 in 1989, as the result of a decrease in blank paper and direct-mill shipments. Other Operations generated a net income of \$1.1 million, compared to a net income of \$776,000 in 1989.

GPO's 1989 Revenue Dollar

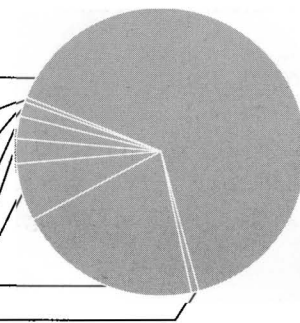
Where It Came From

68.1¢/Purchased Printing
.5¢/Reimbursements
2.2¢/S&E Appropriation
7.4¢/Sales of Publications
21.8¢/In-House Printing



Where It Went

64.6¢/Procured Printing
.6¢/Capital Expenditures
1.6¢/Other
2.4¢/Sales of Publications
3.0¢/Rents, Comm., Utilities
6.2¢/Supplies & Materials
20.7¢/Labor
.9¢/Surplus



GPO's Sales of Publications Program generated net income of \$6.4 million in 1990, a 23 percent increase from net income of \$5.2 million generated in 1989.

Central and Regional Printing Procurement Operations

GPO's printing procurement operations generated revenue of \$634.6 million in 1990 compared to revenue of \$726.4 million in 1989. Net income was \$2.7 million, a decrease of 58 percent from last year's net income of \$6.5 million, due to a decreased volume of commercially-procured work. Revenue from Central Office printing procurement activities was \$390.9 million, compared to \$462.1 million in 1989. Expenses for Central Office printing procurement activities were \$385.9 million, compared to \$455.7 million the previous year. Regional printing procurement revenue was \$243.7 million, compared to \$264.3 million the previous year, while expenses decreased to \$246 million from \$264 million in 1989.

Sales of Publications Program

GPO's Sales of Publications Program generated net income of \$6.4 million in 1990, a 23 percent increase from net income of \$5.2 million generated in 1989. Total sales revenue increased to \$83.2 million compared to \$75.7 million in 1989, due primarily to the addition of sales of the *Federal Register* which previously were reported in plant production operations. Revenue from sales of Government publications in electronic formats exceeded \$1 million in 1990, compared to \$595,000 the previous year. Bookstore revenue increased 2 percent to \$13.1 million in 1990, compared to \$12.8 million in 1989.

Agency Distribution Services

On behalf of client agencies, GPO performs distribution of publications to recipients designated by those agencies. GPO charges for the cost of services performed. In 1990, this program received \$4.9 million in revenue on \$5.4 million in costs, yielding a net loss of \$0.5 million, due to an unanticipated increase in program costs.

Salaries and Expenses Programs

Salaries and expenses associated with the operation of the Statutory Distribution Program, the Depository Library Program, the Cataloging and Indexing Program, and the International Exchange Program increased by \$2.6 million over 1989 to a total of \$25.4 million in 1990.

GPO Capital Expenditures

Capital expenditures for all GPO operations and programs in 1990 were \$5.9 million, compared to \$5.8 million in 1989. Major expenditures included the replacement of electrical transformers, roof replacement, and sidewalk repairs; new office construction for the Binding Division and Materials Management Service; a new microscope photometer and a Moffet passport tipping system, and other equipment. Other expenditures were postponed in the second half of 1990 pending the completion of a comprehensive equipment needs profile for submission to the Joint Committee on Printing in fiscal year 1991.



ulfilling the printing needs of all branches of the Government has been GPO's mission since 1861. At that time, Government printing was dominated by Congressional printing. Today, the vast majority of the work performed by GPO's Production, Printing Procurement, Customer Service, and Quality Control and Technical Departments is on behalf of approximately 130 Federal agencies in the Executive and Judicial Branches. In 1990, this work represented 89 percent of GPO's total billings. By contrast, printing for the Legislative Branch, including printing for GPO's Superintendent of Documents, represented 11 percent of GPO's total billings.

Only a printing facility of enormous size could handle the total amount of printing processed annually by GPO. Instead, GPO contracts out most of the Government's printing to commercial firms, retaining for in-plant production only certain work that cannot be procured from the private sector on a timely, cost-effective basis. In 1990, 24 percent of all GPO printing and binding revenue was generated by Government printing produced in-plant. By comparison, 76 percent was generated by work performed by private sector printers.

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PRINTING FOR CONGRESS

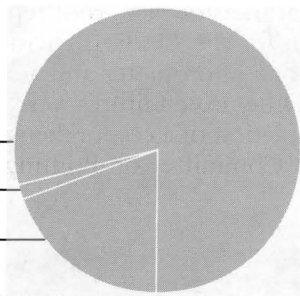
The history of public printing in America is in large measure a history of the printing requirements of Congress. In 1860, during debates preceding the establishment of GPO, Representative John Gurley of Ohio observed that Congressional printing "is necessarily interwoven with the law-making power of each house. It is not only a leading but an essential element of national legislation." In 1990, GPO continued to perform its role as a "leading element of the law-making power" by employing both traditional craftsmanship and modern printing technology in meeting Congress' printing needs.

Congressional printing is performed at GPO's Central Office plant, located four blocks north of the U.S. Capitol in Washington, DC. The plant employs approximately 1,800 production personnel on three shifts, with about 1,000 employees serving on the night shifts, and is the largest industrial employer in the District of Columbia. Excluding Materials and Other Operations, the Central Office plant produced work valued at \$154.8 million in 1990.

Along with all other Legislative Branch work (including billings for work produced for the Superintendent of Documents), Congressional printing comprised approximately 38 percent of total Central Office plant billings in 1990.

Procured Printing vs. In-House Work
Fiscal Year 1990
(Dollars in Millions)

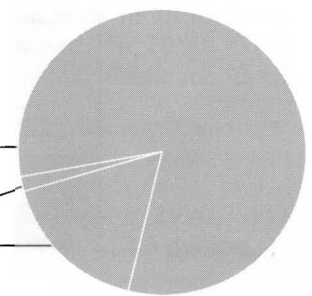
\$634.6/Procured Printing
\$13.7/Regional Printing
\$154.8/Plant Printing*



*Excludes Materials and Other Operations

Procured Printing vs. In-House Work
Fiscal Year 1989
(Dollars in Millions)

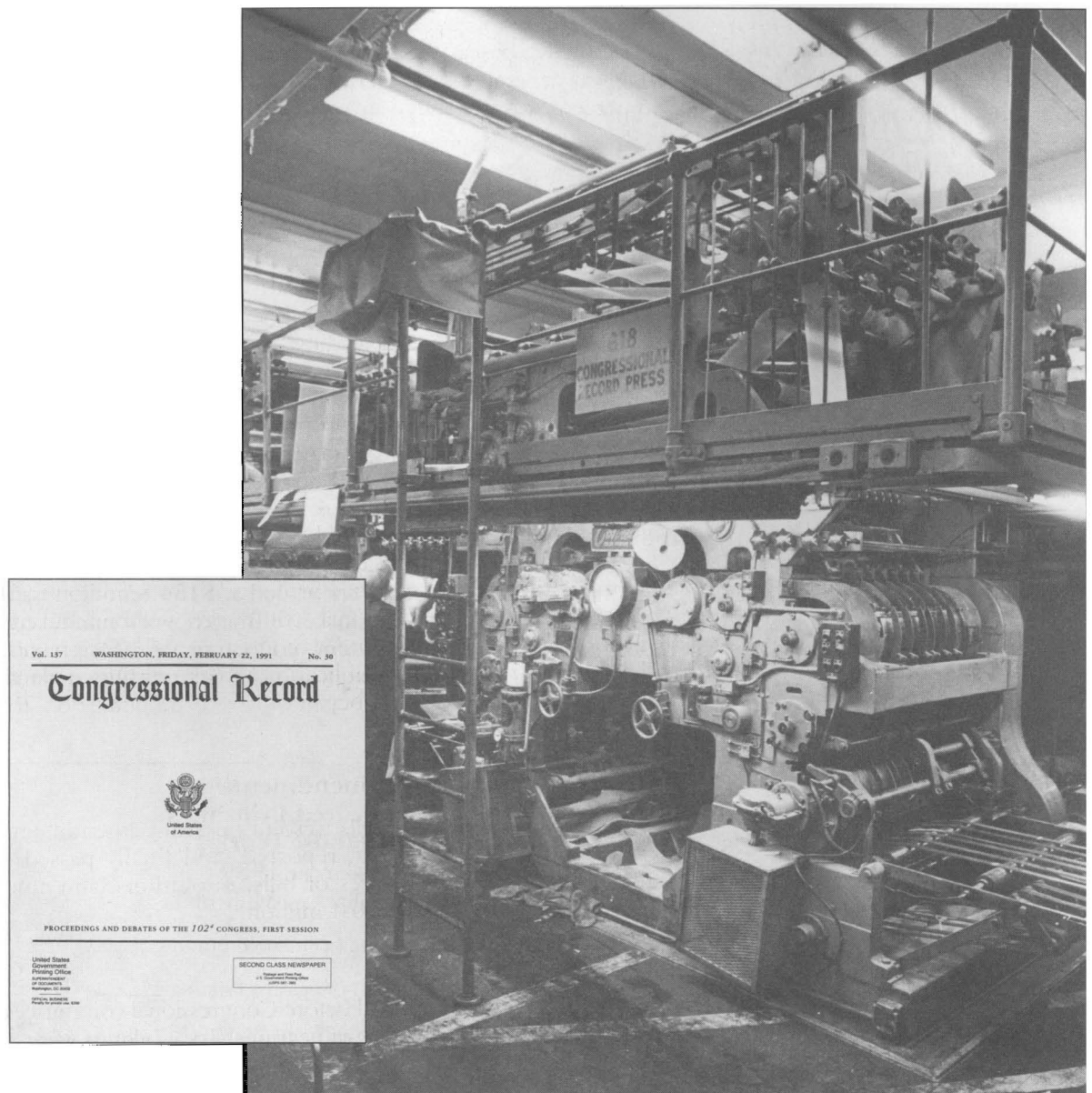
\$726.4/Procured Printing
\$14.7/Regional Printing
\$148.6/Plant Printing*



Billings for the *Federal Register* and U.S. passports and postal cards, which are also printed at the Central Office plant, comprised another 16 percent of total plant billings. The remaining 46 percent of Central Office plant billings was for other Executive Branch work, primarily books, pamphlets, and forms, and sales of blank paper to Federal agencies.

Congressional Record

GPO's flagship Congressional publication is the *Congressional Record*, which contains the daily proceedings of the Senate and House of Representatives, and is printed overnight at the Central Office plant. Approximately 20,400 copies are printed each day, of which 14,100 are charged to GPO's annual Congressional



The size of an average Congressional Record is approximately 220 pages, and contains about the same amount of type as four to six typical metropolitan daily newspapers.

Printing and Binding Appropriation for distribution to recipients designated by section 906 of Title 44. Approximately 6,300 of these copies are distributed for Congressional use while the other 7,800 copies are distributed without charge to correspondents, former Members of Congress, Federal agencies, Federal judges, state governors, recipients designated by Members of Congress, and other recipients designated by law. The remaining 6,300 copies are requisitioned by Federal agencies and by the Superintendent of Documents for the Sales of Publications and Depository Library Programs.

After the close of each session of Congress, the daily proceedings are consolidated, indexed, and printed as the permanent, or bound, edition of the *Congressional Record*. Of the 500 bound sets usually printed, 140 sets are for Congressional use, while 135 sets are distributed to Federal agencies and other recipients designated by law. The remaining 225 bound sets are requisitioned by Federal agencies and by the Superintendent of Documents for the Sales of Publications and Depository Library Programs. Along with printed sets of the bound *Congressional Record*, additional sets are produced in microfiche and CD-ROM formats for distribution through the Sales of Publications, Depository Library, and International Exchange Programs.

The size of an average *Congressional Record* is approximately 220 pages, and contains about the same amount of type as four to six typical metropolitan daily newspapers. In practice, however, actual size varies significantly from day to day, depending on the amount of business Congress transacts. In 1990, GPO printed nearly 37,100 original pages of the daily *Congressional Record* in 170 separate issues. The largest *Congressional Record* printed totaled 632 pages, and during the year one other *Congressional Record* exceeded 500 pages, six exceeded 400 pages, and 18 exceeded 300 pages.

During 1990, significant progress was made on eliminating the backlog in the production of the printed version of the bound *Congressional Record*. The bound *Record*, excluding the bound *Record Index*, was made current through calendar year 1989. A total of 47 volumes comprising approximately 1,400 pages per volume were completed for calendar years 1987, 1988, and 1989.

In 1990, 34,195 pages of the daily *Record* were indexed. Due to the rush of Congressional business that prolonged the second session of the 101st Congress, however, an additional 4,000 pages will be indexed to close out the session. The 1985 *Record Index*, consisting of 3,893 pages, was prepared, reviewed, and released for publication. Work continued on the 1986 *Record Index* and initial preparation began on the 1983 and 1987 *Record Indexes*, all planned for release in 1991.

Bills, Resolutions, and Amendments

GPO prints Congressional bills, resolutions, and amendments in all forms as they are introduced, referred, reported, and finally passed. In 1990, GPO printed 109,000 original pages of bills, resolutions, and amendments. Total billings for this work were \$10.4 million.

Hearings

GPO prints hearings conducted before Congressional committees. In 1990, GPO printed 404,800 original pages of hearings. Total billings were \$12.3 million.

Business and Committee Calendars

This production category covers the printing of House and Senate business and committee calendars which list action on pending and completed legislation. In 1990, GPO printed 24,500 original pages of business and committee calendars. Total billings were \$1.6 million.

Committee Reports

GPO prints reports of Congressional committees, including conference reports. In 1990, GPO printed 24,700 original pages of committee reports. Total billings were \$2.4 million.

Committee Prints

These include publications printed for the internal use of committees. In 1990, GPO printed 25,600 original pages of committee prints. Total billings were \$1.1 million.

Documents

These include all classes of Senate and House documents ordered printed by Congress which carry a Congressional number, such as annual reports, engineers' reports, special reports made by Federal agencies in response to



Congressional resolutions, and supplemental and deficiency estimates of appropriations. In 1990, GPO printed 18,600 original pages of documents. Total billings were \$1.1 million.

Miscellaneous Publications

These include the *Congressional Directory*, which is printed every two years; the Senate and House Journals; memorial addresses of Members; nominations; the United States Code, which is printed every six years, and annual supplements; serial sets of Congressional publications; and publications that do not carry a document or report number, such as laws and treaties. In 1990, GPO printed 18,700 original pages of these publications. Total billings were \$1.6 million.

Miscellaneous Printing and Binding

This production category covers letterheads, envelopes, blank paper, wall calendars, miscellaneous services, blank forms, and binding for the Senate and House. In 1990, GPO produced 156.8 million units of this work, generating total billings of \$11.7 million.

Document Envelopes and Document Franks

GPO provides document envelopes to Senators and Representatives for the mailing of speeches and documents. Document franks are printed individually



or in sheets with perforations and are furnished to Members of Congress for the mailing of documents. In 1990, GPO provided 31.6 million envelopes and 2.1 million franks, generating total billings of \$1.0 million.

Details to Congress

GPO details experts in the printing crafts to Congressional committees and offices to assist in the preparation of Congressional printing needs. In 1990, approximately 86 GPO personnel were detailed to 60 Congressional sites, generating total billings of \$3.1 million.

Equipment Modernization

During 1990, GPO continued to modernize its Congressional printing operations to keep in step with the latest developments in printing and information dissemination technology.

Congressional utilization of GPO's on-line, or "dial-up," composition service, which permits Capitol Hill offices to capture keystrokes on a micro-computer and transmit them to the Central Office plant over ordinary telephone lines, increased in 1990. Overall, the number of Congressional offices using dial-up composition rose from 36 to 44 during the year, primarily due to the addition of Senate clients.

Communications with Capitol Hill were enhanced by the installation of a second laser printer in the House Office of Legislative Counsel and a sixth laser printer in the Senate Office of Legislative Counsel. House Atex systems 1 and 2 were upgraded from Pertec tape drives to Kennedy tape drives for House Information Systems. Two VAX Cluster systems for testing and development work replaced two House Atex systems.

A major step in upgrading the way the Central Office plant inputs data from manuscript was taken in 1990. The installation of 27 personal computers (PC's) in the main Keyboard Room and 15 PC's in the Bill End Unit was completed, and PC training for virtually all GPO journeymen and apprentices was completed in these areas. A PC/VAX Client-Server System is now utilized for all legislative bills and conference reports, as well as assisting with the keyboard input for the daily and bound editions of the *Congressional Record* and hearings.

The Central Office plant's Text Processing Computer Section completed a review of the database structure for the Morning Business of the Senate, which is included in the *Congressional Record*. Current plans call for the Senate to begin transmitting this data via fiber optic link starting with the 102d Congress. This procedure will eliminate duplicate keyboarding.

Product Improvements

An important achievement in 1990 was the production and distribution of the 1985 bound edition of the *Congressional Record* in CD-ROM format. After conversion of the bound *Record* database to Standard Generalized Markup Language (SGML), the database was premastered for CD-ROM, requiring two disks. Contained on these disks are the 29 volumes of the 1985 *Congressional Record* for the first session of the 99th Congress, as well as a complete Index, History of Bills, Daily Digest, and Lobby List. Retrieval software, which is included on the disks, was modified to allow users to search the *Record Index* and move to the relevant section with a single keystroke. This software also provides full browsing, downloading, and printing capabilities for all textual items.

An important achievement in 1990 was the production and distribution of the 1985 bound edition of the Congressional Record in CD-ROM format.

The complete 1985 bound *Record* package, including the two CD-ROM disks, a binder with full documentation and a user reference card, was procured and collated for distribution to depository libraries, the Joint Committee on Printing, and the Sales of Publication Program in 1991.

GPO's expertise in typography and design contributed in 1990 to several Congressional products, most notably *The United States Capitol: A Brief Architectural History*, which was published to commemorate the bicentennial of the Congress, and *Our Flag*, for which the Joint Committee on Printing received a design award from the National Association of Government Communicators.

PRINTING FOR FEDERAL AGENCIES

Throughout the first 80 years of its operations, GPO fulfilled the printing needs of Federal agencies almost exclusively through in-plant printing. Although some printing for Federal agencies is still performed in-house by GPO's Central Office plant and regional printing plants, printing for Federal agencies today is provided predominately through procurement from private sector printers.

GPO's Printing Procurement Program

The authority to purchase printing from commercial contractors was granted by an Act of Congress on February 28, 1929, but the history of GPO's partnership with the private sector began in 1941 with America's involvement in World War II. The subsequent expansion of the Government's printing needs led to greater reliance by GPO on private sector printers. Thereafter, GPO's regional and satellite printing procurement offices were established to bring GPO's services closer to Federal agencies in the field and make greater use of regional commercial printing capabilities.

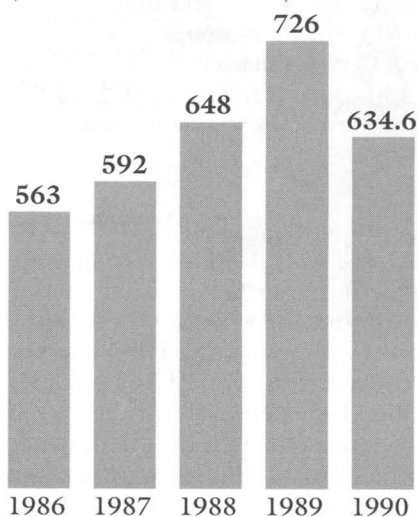
As the procurement of printing grew, GPO's Printing Procurement Program evolved from an emergency measure into a specialized system that utilizes the competition of the marketplace, concentrated expertise, and economies of scale to meet Federal agency printing needs in a timely, economical manner. The Program allows the Government to take advantage of the latest in printing technologies without costly capital investment. In 1990, Congress recognized and affirmed the economies of GPO's centralized Printing Procurement Program by enacting a permanent prohibition against individual agencies contracting for their own printing in the Legislative Branch Appropriations Act of 1991. Today, GPO's objective is to utilize private sector contractors to the maximum extent possible to fulfill the Government's printing and binding needs.

Highlights of Operations for Federal Agencies

During 1990, 76 percent of GPO's total printing and binding revenue came from procured printing for Federal agencies, representing a dollar value of \$634.6 million, a decline of 12.6 percent from 1989. The decrease was due largely to the concentration of several major procurements in 1989, including \$65 million worth of procured printing for the Commerce Department in support of the 1990 Decennial Census.

Overall, GPO's 685 Central and Regional Printing Procurement personnel processed 275,500 printing orders in 1990, utilizing a Master Bid List containing information on production capabilities and other data for approximately

Purchased Printing Revenue
(In Millions of Dollars)



9,800 private sector printers. Total regional procurement office orders increased by approximately 14 percent. Increased order activity was experienced in every regional office except Philadelphia, which experienced a 15 percent decline.

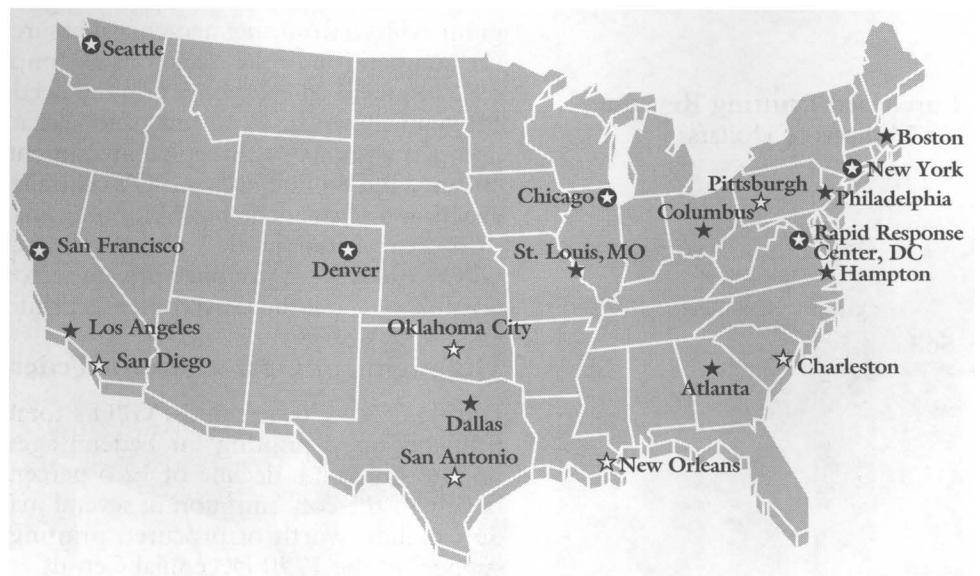
Approximately \$168.7 million worth of Federal agency work was produced in-house by GPO's Central Office plant and regional printing plants, including 3.9 million U.S. passports and 378 million postal cards. In addition, 49,600 original pages of the *Federal Register*, averaging 196 pages and 32,300 copies per edition, were printed by GPO in-house, generating billings of \$22.7 million.

The regional printing office workload decreased from 1.01 billion equivalent units to 886 million in 1990. Approximately 78 percent of the decrease was attributable to workload reductions at GPO's Rapid Response Center, located at the Washington, DC, Navy Yard, and to continued reductions in the number of subscriptions for the *Commerce Business Daily*, which is printed at the Chicago Regional Printing Office.

Procurement Program Highlights

The Internal Revenue Service (IRS) term contract for tax packages entered its third and final year with the placement of orders totaling approximately 30 million copies valued at \$5 million. Another IRS program was established to obtain an anticipated 6 million Federal Tax Deposit coupon books per year. The contract, covering a 3-year term, was awarded at an estimated value of \$1.4 million per year. A new contract for the Department of Agriculture to procure from 500,000 to 1.5 million Food Redemption Certificate books per year was awarded for a 3-year term at an estimated annual value of \$542,000. In addition, the Army Technical Manual program accounted for approximately \$3.4 million in orders.

- ★ GPO Regional Printing and Procurement Offices
- ★ Regional Procurement Offices
- ☆ Satellite Procurement Offices



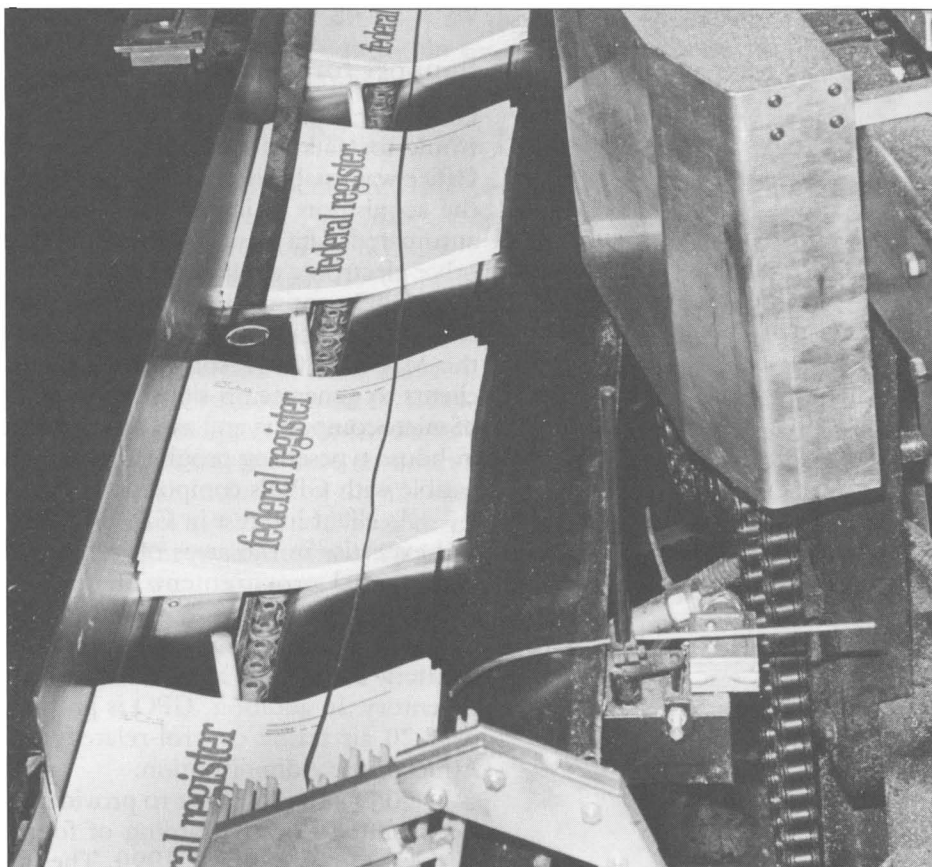
Since the start of the Persian Gulf crisis last summer, GPO's Central and Regional Printing Procurement offices around the Nation handled the processing of thousands of print orders in support of our Armed Forces.

Since the start of the Persian Gulf crisis last summer, GPO's Central and Regional Printing Procurement offices around the Nation handled the processing of thousands of print orders in support of our Armed Forces. Orders for Defense agencies, labeled Desert Shield or Red Ball, covered such items as a guide for analyzing desert landforms, information on camouflage systems, heat injury prevention and desert survival pamphlets, numerous pilot aids, technical manuals, and field directives.

Small Disadvantaged Business Program Continued

In 1989, GPO established a 2-year test program to assist Small Disadvantaged Businesses (SDB's) in winning printing and binding contracts for the Department of Defense, in compliance with the 1989 National Defense Authorization Act. Since then, GPO has worked with the Small Business Administration and several State minority development agencies to publicize this program.

In 1990, GPO extended this program to its regional procurement offices. The position of SDB Program Specialist was also established to provide technical assistance to SDB's doing business with any of GPO's offices. During the year, approximately 650 SDB's were identified on GPO's Automated Bid List, 206 of which were awarded contracts under this program. Overall, SDB's received \$9.6 million worth of contracts, representing 82 percent of the \$11.69 million goal established for fiscal year 1990.



GPO accelerated efforts to reproduce and disseminate information in electronic formats for Federal agencies during 1990.

Procurement Systems Automation

GPO continued to automate its procurement information systems in 1990 to reduce program costs and improve access by client agencies to job status information. By year-end, a total of 180 client agencies had the capability and training to access GPO's Procurement Information Control System (PICS), a 50 percent increase from 1989.

Cost-Savings Achieved for Agencies

GPO achieved significant savings during 1990 while improving the utilization of Central Office plant resources. Under GPO's commercial binding contract, which allows fuller utilization of GPO's press capacity, 154 jobs were printed in-plant and then bound commercially. GPO's negotiated price policy for printing agency jobs also continued during 1990, achieving a savings of approximately \$1.6 million for Federal agencies. Under GPO's negotiated price policy for negatives, which allows GPO to produce negatives at a discounted rate for commercially-procured printing, approximately 84,900 negatives were produced in-plant at a savings to client agencies.

In addition to these savings, recommendations by GPO's printing specialists resulted in significant cost reductions for client agencies. For example, the implementation of a suggested design change resulted in a \$240,000 savings on one agency job. On another job, a suggestion to paste-on-press instead of saddle-stitching a 12-page product resulted in a savings of approximately \$60,000.

Support for Electronic Formats

GPO accelerated efforts to reproduce and disseminate information in electronic formats for Federal agencies during 1990. A Specialized Acquisition Office was established within the Printing Procurement Department to oversee the acquisition of integrated computerized printing and publishing systems, automated data base composition systems, data dissemination systems, and other electronic applications.

GPO continued to support desktop publishing initiatives in Federal agencies through its "dial-up" composition system and continued development of the MICROCOMP software package. Each of these systems enables GPO's clients to generate on-site page or galley proofs of data bases through the use of microcomputers and associated printers, either transmitting through GPO's in-house typesetting program or using personal computer-based software compatible with GPO's composition system.

As client interest in CD-ROM increased in 1990, so did GPO's services and expertise in the areas of in-house data preparation and mastering and commercial procurement of mastering, replication, and distribution of CD-ROM products. Among the publications that were successfully converted to the CD-ROM format in this manner were the Defense Logistics Agency's quarterly Hazardous Materials Information System and the EPA's Toxic Release Inventory. In addition, GPO is producing a prototype CD-ROM comprising over 20 air traffic control-related data bases for the National Oceanic and Atmospheric Administration.

GPO's commitment to providing CD-ROM technology to Federal agencies resulted in the awarding of four contracts for CD-ROM indexing and retrieval software during 1990. These innovative contracts will allow GPO to

In its first full year of operation, GPO's Institute for Federal Printing and Publishing (IFPP) offered 15 seminars attended by 654 individuals representing 53 Federal departments and agencies.

meet most of its client agencies' CD-ROM requirements without having to acquire expensive custom software.

Increased Cooperation with Federal Agencies

During 1990, several working groups were established comprising representatives of GPO and member agencies of the Interagency Council on Printing and Publishing Services (ICPPS). The objective of these groups was to develop recommendations to address 22 separate issues associated with GPO's printing and binding services, responsiveness to the needs of client agencies, and GPO's Sales of Publications Program. In July and September, these groups reported a variety of cooperative measures to resolve the issues raised by the ICPPS, and since then most of the measures have been implemented.

GPO management also began a series of agency visits in 1990 with ranking printing and publishing officials to discuss and resolve issues of importance to them. Since then, several agencies have been visited, including the Departments of the Army, Navy, Air Force, Transportation, Justice, Interior, Health and Human Services, Commerce, Agriculture, and Labor; the General Services Administration (GSA); the Internal Revenue Service; and the U.S. Postal Service. Additional visits, including follow-up visits, are being planned and continued.

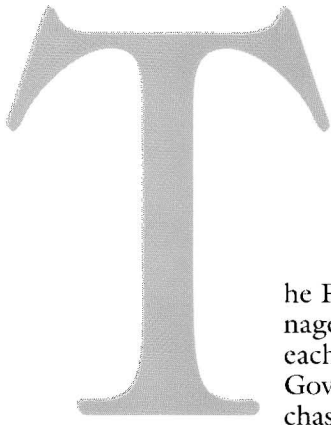
As part of the agency visitation effort, discussions were held with the GSA to work out arrangements for continued GPO/GSA cooperation in the implementation of Brooks Act requirements for the procurement of "mixed resource" electronic printing and publishing systems. Discussions were also initiated to determine and establish parameters for the conduct of duplicating services by GSA's agency printing plants within the guidelines of Title 44 and the Joint Committee on Printing's *Government Printing and Binding Regulations*.

Institute for Federal Printing and Publishing

In its first full year of operation, GPO's Institute for Federal Printing and Publishing (IFPP) offered 15 seminars attended by 654 individuals representing 53 Federal departments and agencies.

Seminars previously developed by GPO, conducted under the IFPP umbrella, included Printing Assistant Orientation and Editorial Planning for Printing Production. Introduction to Regional Printing, recast and expanded, was offered in Denver and Atlanta, and at Wright Patterson Air Force Base in Ohio.

New courses developed by GPO and JCP experts, with occasional input from other resources, included Paper Knowledge, in which the need for permanent paper and the need to use recycled paper were addressed; Cost Estimating, which included an on-line demonstration of the Printing Cost Calculating System (PCCS) available to client agencies from GPO; and Quality Assurance Through Attributes Program, in which quality levels appropriate for given jobs were discussed along with acceptance sampling of the completed shipment. To defray part of the cost of course development and delivery, the IFPP began charging for attendance in January 1990. By the end of the fiscal year, total revenue from IFPP seminars was \$66,800.



Virtually all Congressional and agency printing performed in-plant by GPO in 1990, except for the Congressional Record and the Federal Register, was produced on recycled paper.

he Federal Government consumes approximately 2.2 percent of the total tonnage of printing and writing papers produced domestically in the United States each year—currently over 20 million tons. GPO is by far the largest single Government consumer of these papers, purchasing or contracting for the purchase of approximately 55,400 tons of paper for in-plant production and sales to Federal agencies in 1990. It is estimated that private sector printers used over 300,000 tons of paper in work procured by GPO in 1990.

Recycled and Alkaline Paper

During 1990, there was increased interest in the Government's use of recycled paper to reduce the amount of solid waste placed in landfills, and to permit greater conservation of national forest resources. There also was increased interest in the use of alkaline, or acid-free, paper in Government printing to ensure the longevity of Government publications with enduring research and educational value. GPO responded to the growing demand for recycled and alkaline papers in 1990 with a number of significant actions.

GPO Purchases of Recycled Paper

Fiscal year 1990 was GPO's first full year of operation under the recycled paper guidelines issued by the Environmental Protection Agency (EPA), pursuant to the Resource Conservation and Recovery Act. The guidelines establish minimum recycled content standards for most grades of paper used by the Government.

In August 1989, under the direction of the Joint Committee on Printing (JCP), GPO implemented the guidelines for the various categories of paper purchased for in-plant printing and sales to Federal agencies except newsprint (see *Recycled Newsprint Tested*, p.19). During 1990, GPO's quarterly paper contracts, excluding copier paper and other papers not covered by the EPA guidelines, achieved 97 percent coverage of paper with recycled content. In addition, 84 percent of all envelopes purchased and 79 percent of all shipping cartons purchased had recycled content.

As a result, virtually all Congressional and agency printing performed in-plant by GPO in 1990, except for the *Congressional Record* and the *Federal Register* which are printed on newsprint, was produced on recycled paper. Recycled paper also represented the majority of the paper sold to Federal agencies by GPO in 1990.

Recycled Paper in Printing Procurement

Fiscal year 1990 was also the first full year of operation for GPO's Printing Procurement Program under the EPA recycled paper guidelines.

All term contracts are now solicited and bids are evaluated on the basis that offset, writing, or newsprint paper to be supplied in contract performance will contain recycled content. When bids are determined not to be reasonable as to price or when no bids are received, the order is resolicited without a recycled paper requirement. To date, however, less than 1 percent of term contracts have had to be resolicited. During 1990, approximately 1,300, or 50 percent, of all term contracts residing in the Central and Regional Procurement Offices included recycled paper. These contracts generated nearly 139,900 print orders, valued at \$169.7 million. Of that amount, approximately \$84 million was for paper containing recycled content.

GPO now operates the most comprehensive Government program for the procurement of recycled papers.

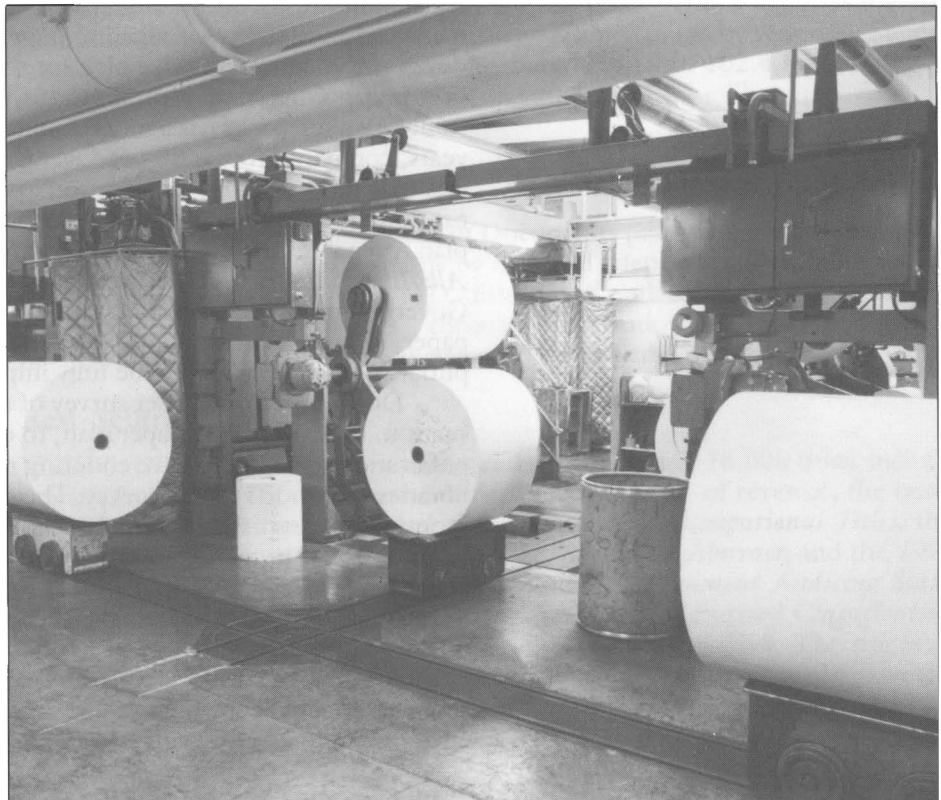
In addition, one-time sealed bid contracts awarded with recycled content totaled \$3.9 million. While procurements made under small purchase procedures are administratively exempted by GPO from recycled paper requirements, further increases in the supply of recycled paper will allow GPO to phase in recycled requirements in small purchases.

Recycled Requirements Were Expanded

When GPO's recycled paper program began late in 1989, certain categories of paper were excluded from recycled requirements because the EPA had determined that there was not enough industry capacity to ensure their availability. In June 1990, however, the JCP instituted major changes to GPO's recycled paper program as the result of GPO's proven success in finding adequate quantities of recycled papers and the increased presence of recycled paper on the paper market. These changes made recycled paper available in categories of paper that were excluded from the EPA's guidelines, most notably copier paper and forms bond. The changes also included new paper specifications permitting the use of groundwood fibers obtained directly from the post-consumer waste stream. As a result, GPO now operates the most comprehensive Government program for the procurement of recycled papers.

Recycled Newsprint Tested

GPO uses a significant amount of newsprint each year, primarily for the *Congressional Record* and the *Federal Register*. In 1990, approximately 6,800 tons



*In 1990
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of newsprint were purchased for in-plant production use. Although the EPA guidelines cover newsprint, the guidelines were not applied to GPO's newsprint purchases when GPO's recycled paper program was implemented in August 1989 because newsprint purchases were already covered by an annual contract in effect at that time.

In 1990, however, the JCP directed GPO to aggressively pursue the possibility of obtaining newsprint that is consistent with the recycled content standards established by the EPA guidelines, for use in the production of the *Congressional Record* and the *Federal Register* beginning in 1991. Accordingly, GPO conducted a series of tests to assess the availability, technical performance, level of competition, and the cost of newsprint containing post-consumer waste.

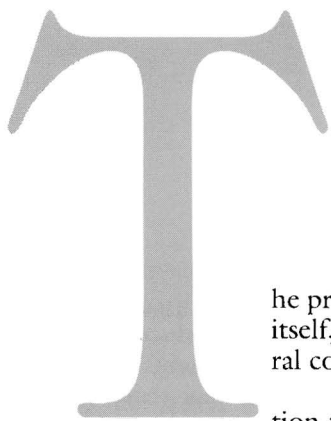
The production tests included 25-lb. recycled newsprint as well as 28-lb. recycled newsprint (25-lb. virgin newsprint is currently used to produce the *Record* and the *Register*). It was determined that recycled newsprint would be an acceptable product and a solicitation was issued. After analysis of the bids, however, it was apparent that the least expensive option was to continue using 25-lb. virgin newsprint rather than the 28-lb. recycled newsprint. The 28-lb. basis weight paper required additional tonnage to obtain the same printing capacity versus the 25-lb. weight. The higher basis weight would also have required increased costs for shipping, storage, and mailing. Consequently, the decision was made to postpone the implementation of recycled newsprint for in-plant use until such time as a price comparison is more favorable.

Alkaline Paper Use Increased

In response to the mounting costs of paper preservation efforts, as well as the increased availability of alkaline paper at competitive prices, in 1990 GPO developed a comprehensive plan for the increased utilization of alkaline paper in printing Government publications with enduring research and educational value. Alkaline paper has a much longer life than acid paper (typically up to 200 years, compared to the 50-year average life of acid paper), because the chemicals that tend to cause degradation at acid pH values have either been significantly reduced or totally removed from the paper production process. GPO's plan, prepared in April 1990 in consultation with the JCP and entitled *Use of Alkaline Paper in Government Printing*, details actions for identifying those Government publications of enduring value that should be printed on alkaline paper, and for matching available alkaline stocks with the production of such publications. The plan will be fully implemented in 1991.

During the year, a user survey of depository libraries was conducted, pursuant to GPO's alkaline paper plan, to determine the categories of Government publications deemed to have enduring research and educational value. Over 400 libraries responded to this survey. Their responses indicated that legal materials, monographs, statistics, journals and periodicals, catalogs and bibliographies, maps and atlases, proceedings, and reports are the most likely candidates for printing on alkaline paper.

In 1990, approximately 64 percent of the paper purchased by the pound for in-plant production and sales to Federal agencies was alkaline, compared to 57 percent in 1989. For paper purchased by the sheet, approximately 57 percent was alkaline, compared to just 3 percent in 1989, due to the increased presence of alkaline copier paper on the market today.



DISTRIBUTING GOVERNMENT INFORMATION

he principle of public access to Government information is as old as the Nation itself, and a policy for disseminating this information soon emerged as a natural corollary to public printing policy.

Providing public access to Government information began with distribution to depository libraries. In 1813, Congress authorized the distribution of Congressional documents to the libraries of colleges and universities, and to the incorporated historical societies of each State, which served as Federal depositories for the use of the public. Other distribution mechanisms developed in the ensuing years.

A wholesale reform of the Government's information distribution functions was made in the Printing Act of 1895. Significantly, the Act placed the Government's distribution functions at GPO. By relocating the Superintendent of Documents, Congress created a system that facilitated the efficient selection of publications for public distribution from the comprehensive body of documents printed by GPO.

Today, GPO's Superintendent of Documents operation continues to serve as the Government's largest single information distribution operation. Comprising the Documents Sales Service and the Library Programs Service, this operation is responsible for the sale of publications, the compilation of catalogs and indexes, the distribution of publications to depository and international exchange libraries, distribution required by law, and distribution performed for and reimbursed by other Federal agencies.

Funding for Superintendent of Documents programs in 1990 included \$83.2 million in revenue from sales of publications, \$24.2 million made available by the Superintendent of Documents' annual Salaries and Expenses Appropriation, and \$4.9 million in reimbursements from other Federal agencies for distribution services. Employing approximately 975 personnel by year-end, Superintendent of Documents operations distributed a total of 102.4 million copies of Government publications in 1990, compared to 112.2 million in 1989.

SALES OF PUBLICATIONS PROGRAM

As the largest of the Superintendent of Documents programs, the Sales of Publications Program operates primarily by mail and telephone order, but publications are also sold by the Laurel, MD, distribution outlet and the Congressional Sales Office in Washington, DC, through a network of 23 GPO bookstores nationwide, and by 59 consigned agents in other Federal agencies.

Best-Selling Publications

In 1990, GPO's sales inventory comprised approximately 16,000 titles, including single-copy publications and subscriptions. In terms of revenue, the best-selling titles for the year included the *Dictionary of Occupational Titles*, the 1989/90 *U.S. Government Manual*, the 1990 *Statistical Abstract*, and the 1990 *U.S. Industrial Outlook*. Popular titles included *Government Auditing Standards*, the *Nautical Almanac 1990*, the *Standard Industrial Classification Manual*, and the 1990-1991 *Occupational Outlook Handbook*. The prices at which publications are sold are established by law, at cost as determined by the Public Printer plus 50 percent.

In 1990, GPO's sales inventory comprised approximately 16,000 titles, including single-copy publications and subscriptions.

Financial Performance

In 1990, the Sales of Publications Program produced revenues of \$83.2 million at a cost of \$76.8 million, resulting in net income of \$6.4 million, a 23.6 percent increase over 1989. This was the first year that all revenues and costs for sales of the *Federal Register* and associated products were reported within the Sales of Publications Program. Previously, they were reported within the results of plant production operations. Fiscal year 1990 was also the ninth consecutive year that the Program generated net income.

Order Activity

During 1990, approximately 62 percent of Sales of Publications Program customers were businesses. The remainder were private individuals (28 percent) and various government and academic customers (10 percent). Single-copy publications comprised 53 percent of total Sales Program orders, while subscriptions made up the remaining 47 percent. About 81 percent of all orders came in by either telephone or mail. The remaining 19 percent were walk-ins at GPO's bookstores and the Retail Sales and Congressional Sales outlets.

Total order activity for the Sales Program was relatively stable in 1990. Order activity was particularly strong in the subscription and Low-Priced Publications areas. GPO's Low-Priced Publications Program, which provides small, consumer-oriented publications to the public at a price of 50 cents each, increased orders from 288,000 in 1989 to 354,000 in 1990. The total number of copies sold by the Sales Program continued to decrease, however, falling from 31 million in 1989 to 28.5 million in 1990.

New Approaches for the Commerce Business Daily

For the third consecutive year, subscriptions to the *Commerce Business Daily* declined, falling from 39,000 in 1989 to 33,000 in 1990, the result of increased



Sales of Government publications in magnetic tape and diskette formats rose to over \$1 million in 1990, the result of increasing consumer interest in electronic information products.

competition from tailored, commercially-printed products and commercial on-line database services, and reduced Government contracting due to declines in defense outlays. In response, a GPO task force was formed to identify opportunities for addressing this trend. Late in the year, the task force's final report recommended the development of options to improve the nature and scope of marketing for the *Commerce Business Daily*, the subscription renewal process, telephone-order procedures, delivery mechanisms, and the potential for spin-off products. Substantive recommendations for addressing these issues will be completed in 1991.

Sales of Electronic Formats Increased

Sales of Government publications in magnetic tape and diskette formats rose to over \$1 million in 1990, the result of increasing consumer interest in electronic Government information products. In 1990, 7 subscription products and 21 monographs were offered in these formats, including the *Congressional Record*, the *Federal Register*, the *Budget of the United States Government*, and the *Monthly Catalog of U.S. Government Publications*. The Sales Program offered its first publication in CD-ROM format during the year, the EPA's *Toxic Release Inventory*. This publication is being sold for \$23, a low price by both Government and commercial standards. Several new CD-ROM titles are expected to be added to the Sales Program in 1991, including the 1985 edition of the bound *Congressional Record*.

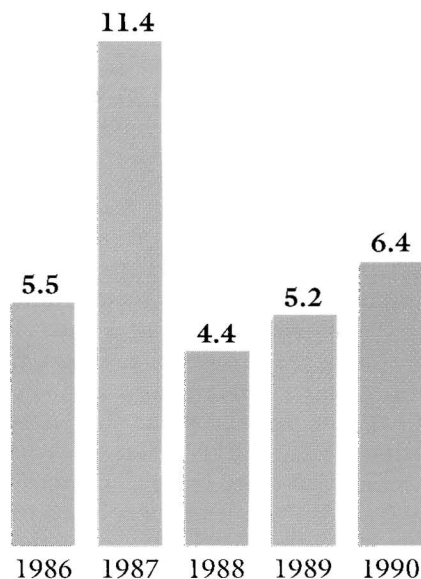
Bookstore Revenues Increased

Total sales revenue for all GPO bookstores increased in 1990, to \$13.1 million, compared to \$12.8 million in 1989. Fourteen of the 23 stores reported increased sales, with the Birmingham, AL, store achieving break-even status for the first time since it was relocated. The number of customers served by the bookstores declined by 7 percent, however, to approximately 327,000.

GPO Bookstores



**Net Income from Sales
of Publications**
(In Millions of Dollars)*



*Excludes Agency Distribution Services

Sales Pricing Panel Recommendations

During the year, GPO's Panel on the Pricing of Sales Publications was reconfigured and charged with devising alternative pricing and distribution methods to increase the distribution of publications through the Sales Program. Following a five-month study, the Panel validated the application of GPO's current publications pricing formula and found that there is a high rate of satisfaction among publishing agencies with GPO's Sales Program. The Panel nevertheless recommended that the Sales Program:

- Modify the current pricing formula to reduce the distribution costs for publications sold on a wholesale basis to commercial bookdealers and other quantity purchasers;
- Seek Congressional approval for increasing the statutory discount rate of 25 percent to quantity purchasers to a level consistent with industry practice;
- Increase the use of multi-year subscriptions to stabilize subscription prices over longer periods;
- Expand the use of "consolidated shipments" directly from the printer to the consumer to reduce GPO's handling charge;
- Amend GPO's long-standing policy to dispose of excess but otherwise usable publications by offering overstocks to bookdealers and other quantity purchasers as surplus Government property, allowing them to be priced below the current statutory pricing formula;
- Accelerate the process for converting GPO sales titles to International Standard Book Number (ISBN) and International Standard Serial Number (ISSN) systems to conform to industry practice;
- Formalize an existing panel of Federal publishing agencies to provide advice for the Sales of Publications Program;
- Establish a specific task force to examine pricing issues related to publications in electronic formats; and
- Establish a council of Federal publishing agencies to address the issue of "dual distribution," whereby the same Government documents sold by GPO are simultaneously distributed free of charge by the publishing agency.

These recommendations were transmitted to the Superintendent of Documents for review and development of implementation plans.

Experimental Pricing Methodology Developed

At the urging of the Bureau of Labor Statistics (BLS), a test of the price elasticity of the *Occupational Outlook Handbook* was initiated in 1990. When the new 1990/91 *Handbook* was released, the prices of the hardcover and paperback versions were lowered to \$22 and \$17, respectively, from the formula-derived prices of \$30 and \$24. The price reductions were achieved through a recalculation of handling costs. In addition, the sales inventory of the *Handbook* was increased in anticipation of increased sales. Aggressive marketing promotions were undertaken for the new edition, and an extra direct mail promotion

GPO and NTIS agreed to establish a working group to examine a broad range of cooperative efforts that could result in the improved delivery of Government information products and services to consumers.

was performed. The full test spans the two-year life cycle of the *Handbook* edition, ending in March/April 1992, but reliable results should be predictable by the fourth quarter of fiscal year 1991.

Congressional Hearing on Sales Program Conducted

For the first time in recent memory, legislative oversight hearings on the Sales Program were conducted by Congress in 1990, focusing on pricing issues and the disposal of overstocked Government publications. Appearing before the Subcommittee on Procurement and Printing of the House Administration Committee in July, the Public Printer discussed the Sales Program in depth, providing data comparing the relatively low average prices of Government publications sold by GPO with the prices of books and publications sold commercially, and discussing the work of the Sales Pricing Panel which was pending at that time. No further Congressional action was taken subsequent to the hearing.

Sales Program Improvements

An automated inventory control system was installed in the Congressional Sales Office in 1990. This bar-code-based system tracks a publication throughout its life cycle and generates reports indicating whether its inventory should be increased or reduced.

In addition, the Sales Program initiated an ambitious program to improve its service to major institutional customers in 1990, when the STAR* Account Section was formed. The product of a long development effort, the STAR* Account concept consists of providing regular, high-volume customers with a single account representative who provides all necessary services to a short list of customers. The advantages of the STAR* Account system to the customer are one-name, one-phone number service for all sales matters and personal monitoring of order fulfillment. The advantages to the Sales Program are centralization of records for each STAR* account, greatly reducing research times and virtually eliminating complaints from these accounts.

New Cooperation with NTIS

During the year, GPO and the National Technical Information Service (NTIS) agreed to establish a working group to examine a broad range of cooperative efforts that could result in the improved delivery of Government information products and services to consumers. By year-end, progress was made toward making arrangements for GPO to procure microfiche duplication services from NTIS for GPO's International Exchange Program. In addition, the working group began examining the feasibility of operating a joint GPO/NTIS bookstore, and the possibility of transferring surplus GPO sales stocks to NTIS. Other issues will be explored in 1991.

Marketing Activities Continued

GPO's Marketing specialists continued to increase public awareness of Government information available through the Sales Program in 1990. A total of 495,000 copies of the *U.S. Government Books* catalog of new and popular sales publications were produced during the year.

To direct attention to new publications, the bimonthly New Books list continued to inform both librarians and Government information consumers

about all new sales titles, with 330,000 copies produced and distributed. In addition, 42 Product Publicity Release notices were produced and distributed to subject-field journals, and 29 major direct mail promotions were produced, with a total mailing to 960,000 targeted prospects. Approximately 150,000 customers were also informed by 217 Priority Announcements of new publications in the fields they specified. The Sales Program's Mail List User Program saw a 76 percent increase in rentals of GPO subscriber lists during 1990.

Marketing also undertook an in-depth cost-effectiveness evaluation of the various elements of its promotional programs in 1990. One result of this evaluation was to increase emphasis on the use of multipliers—persons and organizations willing to distribute Marketing promotional pieces—in order to counter rising printing, postage, and mailing list rental costs. This new direction was implemented in 1990 with the distribution of over 118,000 copies of a special flyer offering a free *U.S. Government Books* catalog from GPO bookstores. Distribution was accomplished through supermarket literature racks, and resulted in nearly 16,000 mail and in-store requests for the catalog, a response rate of over 13 percent. Another area of the evaluation focused on the declining public response to GPO's broadcast and print Public Service Announcements (PSA's), which dropped 61 percent in 1990 due primarily to a growing reluctance by television stations to air 3-year-old PSA's.

DEPOSITORY LIBRARY PROGRAM

GPO's Depository Library Program received major attention in 1990, the result of efforts to re-invest this oldest of Government information dissemination programs with the capability to perform its mission effectively today.

By year-end, the Program included 1,398 public, academic, law, and Federal agency libraries nationwide that were designated as depositories for Government publications by Senators and Representatives, and by law. GPO sends these libraries copies of any Government publication not of purely administrative or "cooperative" nature, or classified for reasons of national security. Eight libraries were added to the Program during the year and six were dropped.

The publications printed for depository libraries are funded by the Superintendent of Documents' Salaries and Expenses Appropriation, and are distributed without charge to the libraries. In return, the libraries are required to make these publications available for the free use of the public. Fifty-four regional depository libraries receive every distributed publication, and provide inter-library loan and other services to the depositories in their regions. The remaining selective depositories tailor their Government publications to local needs, choosing from among 7,000 organization and series categories. A survey conducted in 1990 indicated that on the average, approximately 167,000 persons utilize the Nation's depository library collections each week.

GPO Distribution to Libraries Increased

During the year, GPO distributed more than 24.6 million copies of 54,000 titles in both paper and microfiche formats to depository libraries, increases of 5 and 7 percent, respectively, over the distribution performed in 1989. Including distributions to depository libraries performed by the Department of Energy and the U.S. Geological Survey, which operate under agreements with GPO, a total of 26.9 million copies of approximately 69,000 titles were distributed to

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To meet the public's expanding need for Government information, in 1990 GPO incorporated an increased number and variety of Government publications in electronic formats into the Depository Library Program.

depository libraries in 1990, compared with 27 million copies of 68,000 titles in 1989. GPO itself distributed a total of 14.4 million copies of over 31,600 microfiche titles, up from 13.7 million copies of 29,000 titles in 1989.

Key Publications in Paper Formats Restored

In 1990, GPO received Congressional approval to restore the distribution of two major Government publications—the bound *Congressional Record* and the State Department's *Foreign Relations of the United States*—in paper formats through the Depository Library Program. The distribution of these publications in paper formats was halted several years ago in favor of distribution in microfiche, in response to budget reductions.

With the new Congressional approval, GPO will restore distribution of paper copies of the bound *Congressional Record* for the years 1985 and forward to regional depository libraries and one library in each State without a regional depository—a total of 60 libraries in all. *Foreign Relations of the United States* will now be offered in both microfiche and paper formats to depository libraries.

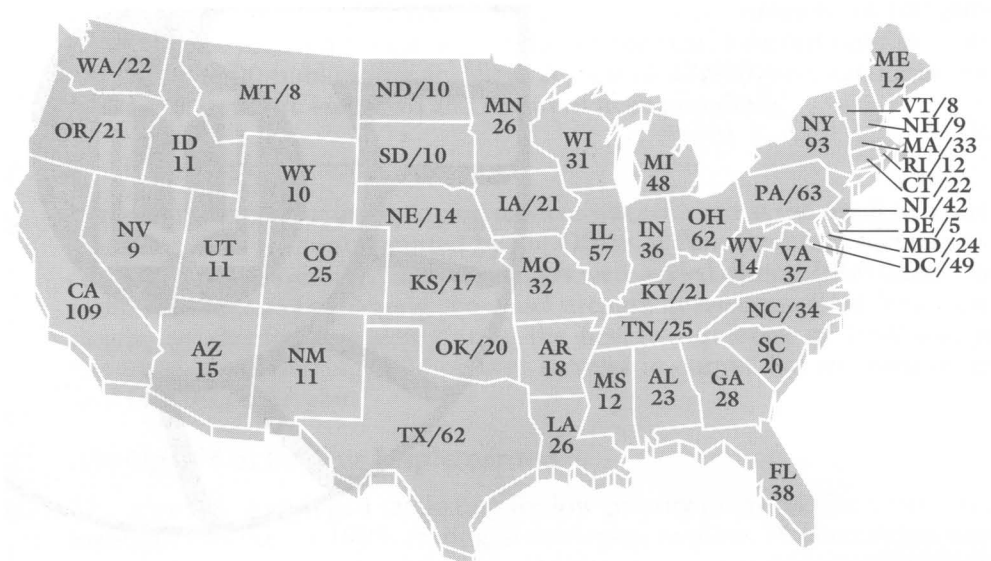
Distribution of Electronic Formats Expanded

To meet the public's expanding need for Government information, in 1990 GPO incorporated an increased number and variety of Government publications in electronic formats into the Depository Library Program.

GPO took a major step in this direction in 1990 through its selection as a participant in Project Hermes, the Supreme Court's 2-year experiment with electronic dissemination of its slip opinions. GPO was chosen for this project along with wire services, legal publishers, legal databases, consortiums of legal/news education organizations, and an electronic information network. Under this project, GPO receives the slip opinions electronically from the Supreme Court moments after they are issued. GPO then converts the electronic files from ATEX to ASCII format, and makes them available through an

Federal Depository Libraries, by State and Territory, as of September 30, 1990
(total=1,398)

Alaska/9
Hawaii/11
American Samoa/1
Panama Canal Zone/1
Guam/2
Micronesia/1
Puerto Rico/4
Virgin Islands/2
Northern Mariana Island/1

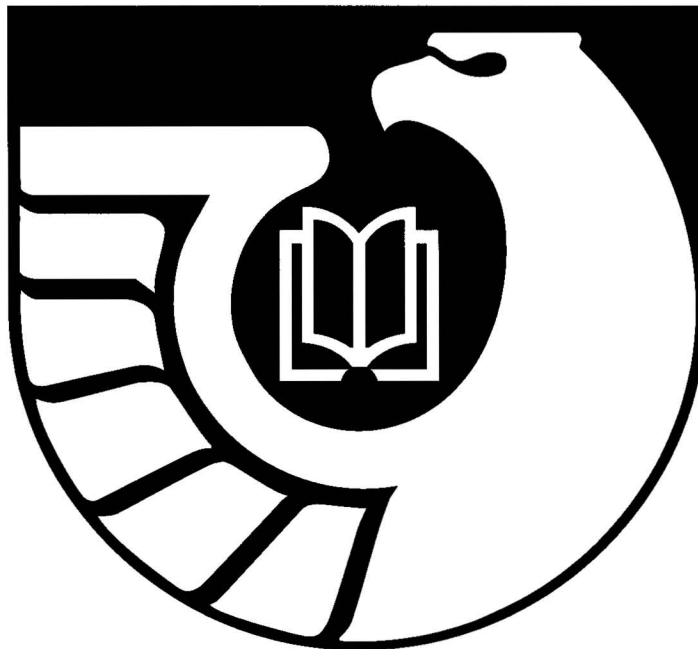


electronic bulletin board network to depository libraries dialing-in from around the Nation. Transmitting at speeds of up to 9600 baud, the libraries can download the information rapidly, providing library users with timely access to this important information. The system began full operation early in fiscal year 1991.

Significant progress was also made in the five pilot projects which are being used to test the feasibility and costs of making Government information in electronic formats available to depository libraries. The Depository Library Program expedited progress on these pilot projects, in order to accelerate the inclusion of electronic publications into regular depository distributions.

During 1990, GPO continued to work with the General Accounting Office and the Census Bureau on an evaluation of the distribution of *Census Test Disk No. 2*, which was completed in 1989. GPO distributed the EPA's *Toxic Release Inventory* CD-ROM to all depository libraries in 1990, and initiated access by 100 depository libraries to the Commerce Department's Economic Bulletin Board. Final work was also completed on the preparation of the 1985 bound *Congressional Record* CD-ROM for distribution to all depository libraries, and on the provision to 20 depository libraries of online access to the Department of Energy's *Integrated Technical Information System*.

GPO's Information Technology Program (ITP) was given the mandate to move forward with plans to identify and obtain additional Government information in electronic formats for distribution to depository libraries. During the year, as more electronic publications—primarily in CD-ROM and diskette formats—became available from such agencies as the Departments of Commerce, Defense, Energy, Interior, and Health and Human Services, and the EPA, successful efforts were made to include them as part of regular Depository Library Program services. By year-end, the ITP had distributed 12 new electronic products to depository libraries, and had plans to distribute an additional 200 products in 1991.



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Program Visibility Raised

During 1990, GPO undertook a coordinated effort to raise the visibility of the Depository Library Program among Federal publishing agencies. This effort was directed at making publishing agencies better aware of their responsibilities to provide for distribution of publications to the depositories, and to combat the continuing problem of “fugitive” publications—Government publications printed or produced by agencies other than through GPO, and not included in the publications made available by GPO to depository libraries.

Chief among these efforts was the publication and distribution of the *Guidelines for the Provision of Government Publications for Depository Library Distribution*, to assist publishing agencies in determining which publications are required to be made available to the Depository Library Program. Other efforts included a continuing series of presentations before each session of the Printing Assistant Orientation Program and a series of invited tours and meetings with agency publishers.

Depository Library Inspections

GPO inspects the Government documents collections of depository libraries to assure that accessibility, maintenance, and retention are adequate. In 1990, 227 depositories were visited by GPO’s inspectors. As a result, 14 libraries were placed on probation, 7 were removed from probationary status, and 1 library’s depository status was terminated.

CATALOGING AND INDEXING PROGRAM

The Superintendent of Documents indexes and classifies Government publications and prepares the *Monthly Catalog of U.S. Government Publications*, which is a comprehensive listing of these documents.

During 1990, approximately 98,500 publications were received for classification, compared with 107,000 publications in 1989. Of the work received, 35,800 publications were identified as duplicates and removed from processing, and 62,700 were assigned classification numbers. Approximately 33,100 publications were received for cataloging during the year, a record number compared to 29,400 publications in 1989. A total of 27,900 were cataloged and 350 duplicates were identified and removed from processing.

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Staffing Improvements

A major improvement in cataloging services was achieved as the result of a one-year direct-hire authority granted by the Office of Personnel Management for certain librarian positions. Eight catalogers were added during 1990 under this authority, increasing cataloging personnel strength by over one-third. While cataloging production was slow during the first two quarters of 1990 due to recruitment and training, a 23 percent increase in output was recorded in the final months of the year.

Abridged Cataloging Implemented

The approval of abridged cataloging for low-priority items also increased cataloging production in 1990. Abridged cataloging requires 30 percent less time than preparation of full-level records. Despite this improvement and increased

staffing, however, the cataloging backlog stood at 12,900 publications by year-end, up from 8,100 at the end of 1989. The increase was primarily due to the record number of publications received in 1990.

Federal Information Locator System

During 1990, GPO participated in a study requested by the Office of Management and Budget's Office of Information and Regulatory Affairs, to determine the feasibility, costs, and potential systems architecture of a comprehensive Federal Information Locator System (FILS). The need for such a system, which would provide information to both the public and Federal agencies on how and where to locate Government information products and services in both conventional ink-on-paper and electronic formats, has been widely discussed in recent years. Because of its statutory mandate to provide for a comprehensive index of Government publications, GPO will continue to participate in future FILS efforts.

STATUTORY AND AGENCY DISTRIBUTION PROGRAMS

The Superintendent of Documents distributes publications which are required by law to be distributed free of charge to designated recipients, and provides distribution services on a reimbursable basis for Federal agencies.

During 1990, the Superintendent of Documents received 4.8 million copies of publications which were distributed free in accordance with statutory requirements, compared to 4.7 million copies in 1989. In addition, approximately 38.4 million copies of publications were received and mailed on behalf of other Federal agencies, compared to 45.5 million copies in 1989.

Consumer Information Center

GPO's largest reimbursable operation is the Consumer Information Center (CIC), which is located at GPO's Public Documents Distribution Center in Pueblo, CO. In 1990, 15.9 million free and paid consumer publications were distributed on behalf of the General Services Administration through this facility, compared to 19.7 million copies in 1989.

International Exchange Program

Under international treaty, the International Exchange Program provides for the distribution of U.S. Government publications to foreign libraries around the world, in exchange for sets of the publications produced by their governments, which they ship directly to the Library of Congress. The Library of Congress administers this program and the Superintendent of Documents distributes the publications. Approximately 325,000 publications were distributed to 67 foreign libraries in 1990, compared to a total distribution of 661,000 publications to 66 foreign libraries in 1989.



ADMINISTRATIVE AND SUPPORT ACTIVITIES

PO's in-plant printing, printing procurement, and publications distribution operations are supported by materials management, engineering, financial, personnel, data systems, and other functions, each of which contributed in 1990 to GPO's goals and objectives.

Materials Management Service

For 1990, the total value of GPO's procurement activities other than for printing was \$110.6 million, compared to \$96.7 million in 1989. Of this amount, \$50.6 million was for paper and paper products; \$42.6 million was for services, transportation, communications, and travel; \$12.4 million was for materials and supplies, and \$5 million was spent on machinery, equipment, and building appurtenances. Some of the major projects contracted for during the year included the replacement of transformers in the Central Office complex (\$2.6 million); installation of a new switch to upgrade the local service telephone system (\$750,000); and the replacement of GPO's WATS long distance telephone service (\$700,000).

GPO's Materials Management Service (MMS) buys paper by the pound and by the sheet. Paper purchased by the pound totaled 75.4 million pounds, while paper purchased by the sheet—primarily copier paper—totaled 1.8 billion sheets. MMS also purchased 116.8 million envelopes and 1.3 million cartons and other containers. During the year, GPO's monthly average inventory of paper was 29.4 million pounds, with a high of 32.1 million pounds in October 1989, and a low of 27.9 million pounds in March 1990. A cumulative price increase of 0.8 percent was reflected for all categories of paper in the four quarterly contract periods during the year.

Income to GPO from surplus sales conducted by MMS included \$428,900 for wastepaper, \$265,800 from various spot sales of scrap and surplus property, \$98,700 for non-ferrous metals, and \$500 for scrap iron. Sales through salvage operations involved 16.3 million pounds of wastepaper, 460,000 pounds of scrap iron, and 596,000 pounds of scrap metal and dross.

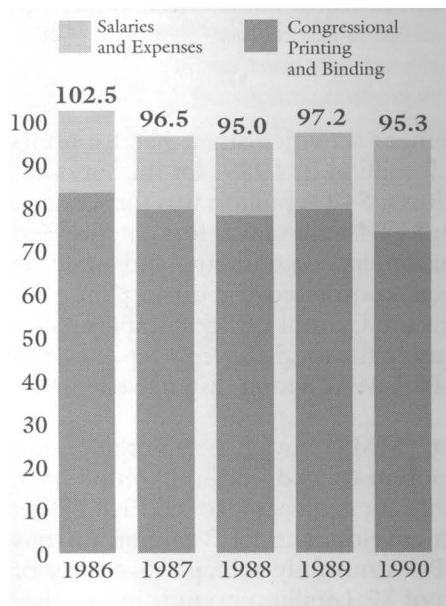
Engineering Service

During 1990, GPO's Engineering Service processed over 25,500 service calls in addition to completing structural improvements and equipment installations for the Central Office plant. Engineering constructed new office space for the Materials Management Service and the Superintendent of the Binding Division, provided a new complex for the Office of Information Resources Management, and renovated an area for the Binding Division to prepare work to be contracted out for commercial binding. A letterpress was relocated, a new adhesive binder as well as cutters and lifts were installed in the bindery, a passport laminating machine was installed in the GPO's passport and postal card production area, and security cameras were installed in the Central Office complex.

Engineering continued to take actions in 1990 to improve GPO's compliance with environmental regulations. A plan was developed to remove existing underground storage tanks to meet EPA requirements. A test of emissions from GPO's web presses was made to determine the nature and quantities of pollutants being discharged into the atmosphere. The results of this test will be used to design pollution control equipment. GPO's asbestos abatement project continued in 1990, involving 20,000 feet of pipes.

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GPO Appropriations (In Millions of Dollars)



A new Scale of Prices for Central Office plant work was developed and delivered with an effective date of January 1, 1990, the first full revision of the scale in about three years.

Maintenance and renovation work on GPO's aging Central Office complex also continued in 1990. A detailed survey of the cornice of the older buildings in the Central Office complex indicated extensive problems with the terra-cotta elements of the cornice and parapet that will require repairs in the near future, if these historic features are to be preserved. Elevator repairs and renovations continued throughout the year. In addition, a contract was awarded and completed for concrete repairs and painting of GPO's Building 4 paper warehouse.

Office of Financial Management

A new Scale of Prices for Central Office plant work was developed and delivered with an effective date of January 1, 1990, the first full revision of the scale in about three years. The rates were increased approximately 22 percent to reflect increased labor costs resulting from wage negotiations over the last three years. All-inclusive hourly rates were also developed for GPO's Engineering Service to recover operating costs, and new rates were established for equipment purchased in GPO's bindery modernization effort. In addition, sales prices for publications in CD-ROM format were established.

In the area of cash management, direct deposit through Electronic Funds Transfer (EFT) was implemented for all GPO pay and savings allotments in 1990 without any interruption in payments. Along with the conversion to EFT, GPO's payday was changed from the first Thursday to the second Tuesday following the close of the pay period, permitting a reduction in overtime used by GPO's Payroll Section. Significant progress was also made in reducing the amount of unpaid invoices owed to GPO by the Department of Defense. During 1990, the value of invoices over 60 days old was decreased from \$5.7 million to \$3.7 million. In addition, the value of outstanding travel advances owed by GPO employees was reduced from \$193,300 to \$3,900 by year-end. Cash discounts taken on commercial printing totaled \$8.9 million by year-end, compared to \$10 million in 1989.

The automation of financial systems continued during 1990, with the implementation of the first phase of the transition to a common database for receiving EFT payments for commercially-procured printing. GPO's program to supply client agencies with electronic billing data instead of paper invoices also progressed. By year-end, approximately 22 percent of GPO's total volume of billings was being performed electronically.

A variety of new financial initiatives were also begun in 1990, most notably the development of a plan for providing firm fixed prices for the majority of printing work accomplished through GPO. This change will enable GPO to bill client agencies in advance of the completion of printing work, thereby reducing the time required for the recovery of working capital and simplifying client agencies' accounting procedures. GPO also is nearing completion of a modification of the billing system to automatically compute billings to client agencies, reducing the time it takes to produce an invoice by about 15 days. In addition, a cost/benefit study for options for replacing GPO's current payroll system with participation in a Government-wide system was completed by an inter-departmental task force.

During 1990, the General Accounting Office (GAO) completed its audit of GPO's fiscal year 1989 financial statements and issued an unqualified opinion on the consolidated balance sheet. GAO did not express an opinion on the other financial statements because the consolidated statements for 1988 were not audited.

Efforts to recruit college graduates were highly successful during the year, with 23 college graduates appointed.

In August 1990, the Public Printer established the new position of Assistant Public Printer (Chief Financial Officer), in order to centralize control over all aspects of GPO's financial and other related activities.

Personnel Service

GPO's Personnel Service obtained management and union approval in 1990 to pilot a revised GPO Merit Promotion Program which has reduced the time required to fill vacancies by 50 percent. Efforts to recruit college graduates were highly successful during the year, with 23 college graduates appointed. Personnel also worked with Office of Personnel Management to establish GPO's first Delegated Examining Unit to recruit candidates for Printing Assistant/Specialist positions. In addition, Personnel supported the Office of Equal Employment Opportunity in its efforts to improve GPO's cooperation with historically black colleges and universities, and in establishing and soliciting management participation in cooperative education programs.

Personnel made significant progress in the use of automation technology for training and other purposes. GPO was able to accomplish two-thirds of its individual training needs with an expenditure of only one-third of the training budget in 1990. A considerable part of this training was focused on areas of special agency interest, including word processing skills and performance management training.

Labor and Employee Relations Service

GPO's Labor and Employee Relations Service administers GPO's labor-management and employee relations programs. The Labor-Management Relations Branch, which administers labor relations policies and programs involving 17 unions and representing 4,000 employees in 24 bargaining units across the Nation, negotiated five labor-management agreements. The most significant personnel policy negotiated by the Branch was GPO's Drug-Free Workplace Program, which provides for the drug testing of an employee when there is a reasonable suspicion that he/she is under the influence of illegal drugs while at work.

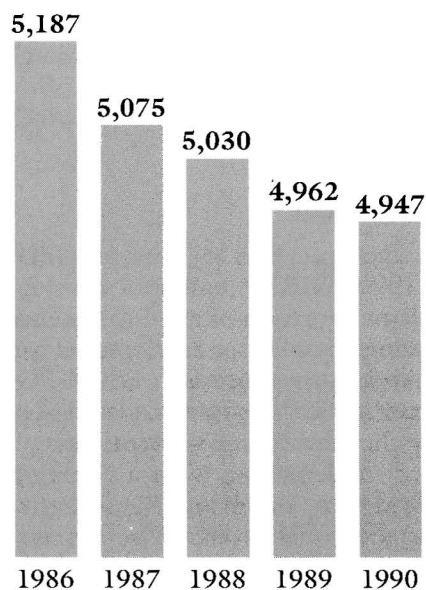
The Employee Relations Branch processed 202 adverse actions during 1990, including 37 employees who were removed or discharged either for disciplinary or performance reasons. The Merit Systems Protection Board did not reverse the agency on any of the 15 cases that were appealed. The Employee Programs Branch administered the highly successful Combined Federal Campaign, in which GPO exceeded its goal of \$200,000 by \$46,000.

Occupational Health and Environmental Services

Environmental compliance issues were a major focus for GPO's Occupational Health and Environmental Services (OHES) in 1990. Key among these were efforts associated with clean air and water regulations, hazardous waste management, asbestos removal, planning for removal of PCB-containing electrical transformers, and underground storage tank removal.

Preventive health efforts for GPO's employees were expanded during the year with the implementation of a comprehensive Medical Surveillance Program. New programs included a Safety and Health Committee and a National Commercial Driver Licensing program. Programs still under development include an ergonomics program, a behavioral safe workplace program, and a Workmen's Compensation Review Program. The position of interpreter to

GPO Staffing Levels
(FTE's at yearend)



assist GPO's hearing-impaired employees was created, and a Hearing Impaired Task Force was formed.

Office of Equal Employment Opportunity

GPO's Office of Equal Employment Opportunity (EEO) administers GPO's discrimination complaint system, provides counseling services, and assists GPO management in adhering to laws, regulations, and policies regarding equal employment opportunity for all employees and applicants for employment. During 1990, EEO completed its second full year of cyclical evaluations of field installations, which included training on sexual harassment awareness and prevention.

EEO's recruitment efforts included an exhibition booth at the Fifteenth Annual National Conference on Blacks in Higher Education, sponsored by the National Association for Equal Opportunity in Higher Education, and a full-page advertisement in the magazine *Black Excellence* depicting the role of GPO and the impact of Workforce 2000. In addition, an EEO staff member was assigned to coordinate and monitor the historically black colleges and universities initiative. EEO also continued its community outreach activities, including the Career Awareness, Adopt-A-School and Summer Youth Employment Programs.

Security and Support Services

GPO's Security and Support Services are responsible for GPO's law enforcement, physical and information security, and administrative support functions. New security alarms were added to the GPO-wide cardkey alarm system during 1990, and security at the Laurel Complex and Union Center Plaza locations was upgraded and integrated into the cardkey system. The GPO police communications system was upgraded, a comprehensive security survey was conducted in the Passport Unit, and several computer security surveys were conducted. The *Personal Computer Security Handbook for GPO Managers and End-Users* was published and distributed, and computer security guidelines and recommendations were provided to managers following the discovery of two computer viruses in GPO during the year.

The Office of Support Services was instrumental in negotiating an inter-agency agreement between GPO and the U.S. Postal Service, effective March 1, 1990, that assures GPO-wide postage accountability. In addition, this office coordinated the mailing of 6.5 million 1990 *Advance Census Reports* which were printed by GPO.

Office of Information Resources Management

GPO's Office of Information Resources Management (OIRM) provides GPO-wide information automation services. In 1990, OIRM continued development of the GPO corporate database. The documentation of existing systems, business processes, and GPO-level data is nearing completion; development will be completed early in fiscal year 1991. In addition, the emphasis of the GPO-Wide Data Automation Plan was changed from tactical to strategic planning in order to provide more control and to ensure the efficient use of resources.

Operational accomplishments included implementation of a common database for procurement and payment information, enabling GPO to better serve its clients and reduce costs by taking additional prompt payment discounts by expediting the vendor payment process. The specifications function

for small purchases in Central Office printing procurement was automated. The cash collection operation (lock box service) implemented last year for the Sales of Publications Program was streamlined. Application of OIRM's laser printer technology enabled a reduction in the number of GPO mailing labels from nine to two. OIRM also completed conversion of GPO's long distance telephone service to MCI VNET. Annual cost savings from this conversion are expected to be over \$500,000.



FINANCIAL STATEMENTS

Consolidated Balance Sheet

As of September 30, 1990, and 1989 (Notes 1 and 2) (in thousands of dollars)

Assets	1990	1989
Current Assets:		
Cash:		
On-hand and in-transit	\$ 845	\$ 1,024
Revolving fund	101,452	128,420
Appropriations	28,437	34,258
Accounts receivable (Note 3)	233,462	250,954
Inventories:		
Publications for sale, net (Note 4)	12,451	13,006
Paper	14,978	17,918
Materials and supplies	10,512	10,768
Prepaid expense	120	—
Total Current Assets	\$402,257	\$456,348
Property, Plant, and Equipment (Note 5):		
Land and buildings	18,633	18,648
Equipment and building improvements	119,076	113,980
	137,709	132,628
Less: accumulated depreciation	(85,155)	(79,520)
Net Property, Plant, and Equipment	52,554	53,108
Total Assets	\$454,811	\$509,456

The accompanying notes are an integral part of these financial statements.

Liabilities and Investment	1990	1989
Current Liabilities:		
Accounts payable (Note 6)	\$ 70,028	\$ 101,922
Advances from customers (Note 7)	34,950	69,261
Accrued salaries, wages, benefits and other withholdings	13,245	4,371
State and local payroll taxes	820	2,188
Total Current Liabilities	\$119,043	\$177,742
Other Liabilities:		
Accrued annual leave	10,707	10,354
Excess receipts from sales of publications, due U.S. Treasury (Note 8)	8,686	2,262
Total Other Liabilities	\$ 19,393	\$ 12,616
Total Liabilities	\$138,436	\$190,358
Investment of U.S. Government:		
Appropriations:		
Unliquidated obligations	34,469	33,357
Revolving Fund:		
Contributed capital (Note 9)	109,952	110,051
Retained earnings	171,954	168,313
Reserved for intra-office funding	—	7,377
Total Revolving Fund	\$281,906	\$285,741
Total Investment	\$316,375	\$319,098
Total Liabilities and Investment	\$454,811	\$509,456

Consolidated Statement of Revenue and Expenses by Function and Retained Earnings

Fiscal Years 1990 and 1989 (Notes 1 and 2) (in thousands of dollars)

	Printing and Binding		
	In-House Printing	Purchased Printing	Total
Revenue:			
Printing and Binding	\$ 229,617	\$ 634,610	\$ 864,227
Sales of Publications	—	—	—
Appropriations	—	—	—
Reimbursements	—	—	—
Total Revenue	\$229,617	\$634,610	\$864,227
Expenses:			
Personal compensation and benefits	\$ 150,707	\$ 32,778	\$ 183,485
Travel and transportation	671	2,690	3,361
Rents, communications and utilities	10,899	2,712	13,611
Printing and reproduction	—	591,156	591,156
Other services	3,531	787	4,318
Supplies and materials	57,137	1,112	58,249
Depreciation	5,312	628	5,940
Publications sold	—	—	—
Surplus publications	—	—	—
Total Expenses	\$228,257	\$631,863	\$860,120
Net Income or (Loss)	\$ 1,360	\$ 2,747	\$ 4,107

Retained Earnings, Beginning of Fiscal Year

Retained Earnings Before Payable to U.S. Treasury

Less:

Excess receipts from sales of publications, due U.S. Treasury

Retained Earnings, End of Fiscal Year

The accompanying notes are an integral part of these financial statements.

Information Dissemination					Total GPO	
Sales of Publications	Agency Distribution Services	Salaries and Expenses	Total	Eliminations	1990	1989
—	—	—	—	(\$ 41,744)	\$ 822,483	\$ 916,024
\$ 83,245	—	—	\$ 83,245	—	83,245	75,695
—	—	\$ 25,433	25,433	(495)	24,938	22,499
—	\$ 4,907	—	4,907	—	4,907	4,821
\$83,245	\$4,907	\$25,433	\$113,585	(\$42,239)	\$935,573	\$1,019,039
\$ 27,109	\$ 2,764	\$ 7,674	\$ 37,547	(\$ 2,504)	\$ 218,528	\$ 212,101
872	73	472	1,417	—	4,778	4,872
15,792	2,158	2,875	20,825	(487)	33,949	30,430
791	69	13,076	13,936	(38,508)	566,584	662,641
916	90	669	1,675	(597)	5,396	5,118
1,707	198	510	2,415	(143)	60,521	63,900
193	21	157	371	—	6,311	6,491
24,572	—	—	24,572	—	24,572	19,851
4,869	—	—	4,869	—	4,869	4,533
\$76,821	\$5,373	\$25,433	\$107,627	(\$42,239)	\$925,508	\$1,009,937
\$ 6,424	(\$ 466)	—	\$ 5,958	—	\$ 10,065	\$ 9,102
					\$168,313	\$ 164,411
					\$ 178,378	\$ 173,513
					(6,424)	(5,200)
					\$171,954	\$ 168,313

Consolidated Statement of Changes in Financial Position

Fiscal Years Ended September 30, 1990, and 1989 (Notes 1 and 2)
(in thousands of dollars)

	1990	1989
Funds Provided:		
Net Income	\$ 10,065	\$ 9,102
Add expenses not requiring capital:		
Depreciation	6,311	6,491
Total Funds Provided by Operations	16,376	15,593
Book value of retired assets	19	67
Appropriations	87,473	85,731
Sale of land	513	—
Increase in accrued annual leave	353	290
Total Funds Provided	\$104,734	\$101,681
Funds Applied:		
Purchase of fixed assets	5,875	5,804
Funds returned to U.S. Treasury from appropriations	—	—
Expended Appropriations (Note 10)	94,251	97,794
Total Funds Applied	\$100,126	\$103,598
Increase (Decrease) in Working Capital	\$ 4,608	(\$ 1,917)

Changes in Working Capital

Current Assets:		
Cash:		
On-hand and in-transit	(\$ 179)	(\$ 126)
Revolving fund	(26,968)	13,511
Appropriations	(5,821)	1,462
Accounts receivable	(17,492)	32,807
Publications for sale	(555)	821
Paper	(2,940)	2,508
Materials and supplies	(256)	1,999
Prepaid expense	120	—
Current Liabilities:		
Accounts payable	31,894	(19,459)
Advances from customers	34,311	(34,267)
Accrued salaries, wages, benefits and other withholdings	(8,874)	(217)
State and local payroll taxes	1,368	(956)
Increase (Decrease) in Working Capital	\$ 4,608	(\$ 1,917)

The accompanying notes are an integral part of these financial statements.

Status of Appropriated Funds

Fiscal Years Ended September 30, 1990, and 1989 (Notes 1 and 2)
(in thousands of dollars)

	Congressional Printing and Binding	Salaries and Expenses	Total Appropriated Funds	
			1990	1989
Status of Appropriations, Beginning of Fiscal Year	\$13,042	\$21,216	\$ 34,258	\$ 32,796
Funds Provided:				
Appropriations	74,149	13,324	87,473	85,731
Intra-Office Funding	—	7,890	7,890	11,424
Total Funds Available	\$87,191	\$42,430	\$129,621	\$129,951
Funds Applied:				
Obligated appropriations:				
Current Fiscal Year	64,299	17,959	82,258	75,904
Prior Fiscal Years	11,481	7,445	18,926	19,789
Funds Returned to U.S. Treasury	—	—	—	—
Total Funds Applied	\$75,780	\$25,404	\$101,184	\$ 95,693
Status of Appropriations, End of Fiscal Year	\$11,411	\$17,026	\$ 28,437	\$ 34,258

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

As of September 30, 1990, and September 30, 1989

(1) Organization

The Government Printing Office (GPO) provides printing, binding, and distribution services to the Congress and Federal agencies and distributes publications to the public. Title 44 of the U.S. Code authorizes the GPO Revolving Fund to finance these operations. The Revolving Fund is reimbursed by payments from agencies, receipts from sales of publications, and by transfers from the Salaries and Expenses and Congressional Printing and Binding Appropriations.

The Congressional Printing and Binding Appropriation is for printing and binding performed directly for Congress and for printing and binding of publications authorized by law to be distributed without charge to recipients.

The Salaries and Expenses Appropriation is for necessary expenses incurred by the Superintendent of Documents for depository library, international exchange, and other statutory distribution of publications, and for the cataloging and indexing of Government publications.

(2) Summary of Significant Accounting Policies

Principles of Consolidation—The consolidated financial statements include all GPO funds. Inter-fund and inter-operational transactions and balances have been eliminated.

Basis of Accounting—Assets, liabilities, revenue, and expenses are recognized on the accrual basis of accounting following generally accepted accounting principles (GAAP); the associated principles of fund accounting; and Title 2, “Accounting,” of the General Accounting Office’s (GAO) *Policy and Procedures Manual for Guidance of Federal Agencies*, with one exception. GAO Title 2 requires capitalizing all software valued at \$5,000 or more. GPO’s policy for purchased software was revised during fiscal year 1990 to comply with Title 2. A policy for in-house developed software will be implemented during fiscal year 1991 to bring GPO into full compliance with Title 2.

Expense Allocations—General and administrative expenses have been distributed among the various expense categories. To the extent practicable, general and administrative expenses were allocated to the various programs based on the estimated level of effort associated with each program.

Revenue Recognition—Printing and binding revenue is recognized on the basis of work performed by GPO due to the fact that all printing and binding work is required by law to be reimbursed on the basis of services rendered. At the end of fiscal year 1990, there was an estimated \$13,568,000 shortfall in the Congressional Printing and Binding appropriation of which the majority was for the bound *Congressional Record*. The value of this work, if not funded, would be absorbed as a loss by the GPO Revolving Fund. However, it is anticipated that this work will be funded in future appropriations. Revenue from commercially-procured printing and binding is recognized on the constructive-receipt concept. Revenue from distributing and selling publications to the public is recognized when publications have been shipped, or when services have been performed.

Inventories—Publications for sale are valued using the first-in, first-out cost method. The allowance for surplus publications is established to estimate the value of potentially obsolete or excess publications held in inventory at fiscal year end. Paper, materials, and supplies are valued using the moving-average cost method.

Property, Plant and Equipment—Property, plant, and equipment are carried at cost. Expenditures which substantially increase the useful life of the assets are capitalized. Maintenance and repairs are expensed as incurred. Depreciation is computed using the straight-line method with estimated useful lives ranging from 42 to 50 years for buildings and from 3 to 30 years for machinery and equipment and building improvements is recovered from billings to client agencies. Buildings and structures have been paid from Legislative appropriations. Accordingly, depreciation is recorded but not reimbursed on these items. Retirements of assets, valued at \$837,000 in fiscal year 1990, are removed from the accounts.

Intragovernmental Financial Activities—GPO's financial activities interact with and depend on those of the Federal Government as a whole. Thus, GPO's financial statements do not reflect the results of all financial decisions and activities applicable to GPO's operations, as if it were a stand-alone entity.

GPO's financial statements are not intended to report GPO's proportionate share of the Federal deficit or of public borrowing, including interest thereon. Financing for appropriations reported on GPO's statements could derive from tax revenues or public borrowing or both; the ultimate source of this financing, whether from tax revenues or public borrowing, has not been specifically allocated to GPO.

Pensions—During fiscal year 1990, the majority of GPO's employees participated in the contributory Civil Service Retirement System (CSRS); the Federal Old-Age, Survivor, and Disability Insurance Fund; and/or the Federal Employees Retirement System (FERS), to which GPO made contributions of \$14,696,000 and \$13,723,000 in fiscal years 1990 and 1989, respectively. Such contributions are recognized as expenses in the statement of operations. GPO does not report CSRS and FERS liabilities, if any, applicable to its employees since this data is only reported in total by the Office of Personnel Management.

Contingencies—GPO is a party in various administrative proceedings, legal actions, and claims brought by or against it at September 30, 1990. These include:

- Various personnel actions, suits, or claims brought against GPO by employees and others.
- Claims against commercial contractors as a result of contract default or other less-than-satisfactory performance in which GPO is likely to prevail. The value of these claims is recorded as accounts receivable.
- Claims by commercial contractors brought against GPO. One contingency related to denying a contractor's claim will probably result in a loss of approximately \$270,000. This amount has been recorded as a liability in the year-end financial statements. Another contingency, classified as reasonably possible, also exists. The amount of loss to GPO, should the contractor prevail, would be approximately \$250,000. This claim is disclosed but not recorded in the financial statements, in accordance with GAAP guidelines on reasonably possible contingencies.

Intra-Office Funding—In fiscal year 1990, the Salaries and Expenses Appropriation was funded in part by excess receipts derived from sales of publications. Pursuant to Public Laws 101-163 and 101-164, this type of funding provided \$7,377,000 from the sale of publications and \$513,000 from the sale of land. For fiscal year 1991, there is no public law which authorizes this type of intra-office funding.

(3) Accounts Receivable, Net

Accounts receivable, net, comprised the following:

	September 30	
	1990	1989
U.S. Government agencies	\$ 26,679,000	\$ 34,548,000
Unbilled completed work	137,605,000	161,499,000
Unbilled work in progress	66,909,000	51,517,000
The public	350,000	435,000
Other	2,976,000	2,955,000
Subtotal	\$234,519,000	\$250,954,000
Allowance for doubtful accounts*	(1,057,000)	—
Accounts receivable, net	\$233,462,000	\$250,954,000

*The allowance for doubtful accounts, established in fiscal year 1990, is based on recent bad debt experience.

(4) Inventory—Publications for Sale, Net

Publications for sale, net, comprised the following:

	September 30	
	1990	1989
Publications for sale	\$ 16,551,000	\$ 16,506,000
Allowance for surplus publications	(4,100,000)	(3,500,000)
Publications for sale, net	\$ 12,451,000	\$13,006,000

(5) Property, Plant, and Equipment

Property, plant, and equipment at September 30, 1989, consisted of the following:

	Acquisition Value	Accumulated Depreciation	Net Book Value
Land	\$ 9,992,000	—	\$ 9,992,000
Buildings	8,656,000	\$ 8,631,000	25,000
Building improvements	41,305,000	21,188,000	20,117,000
Leasehold improvements	1,346,000	548,000	798,000
Plant machinery and equipment	61,162,000	42,134,000	19,028,000
Office machinery and equipment	8,305,000	5,835,000	2,470,000
Computer software	420,000	315,000	105,000
Furniture and fixtures	349,000	205,000	144,000
Motor vehicles	746,000	664,000	82,000
Capital improvements in progress	347,000	—	347,000
Totals	\$132,628,000	\$79,520,000	\$53,108,000

During fiscal year 1990, several assets were reclassified from Plant Machinery and Equipment to Building Improvements and from Building Improvements to Leasehold Improvements. Fiscal year 1989 amounts have been restated to reflect this change, for comparison purposes. The acquisition value of these assets was \$6,728,000 and their book value was \$2,462,000 at September 30, 1989.

Property, plant, and equipment at September 30, 1990, consisted of the following:

	Acquisition Value	Accumulated Depreciation	Net Book Value
Land	\$ 9,977,000	—	\$ 9,977,000
Buildings	8,656,000	\$ 8,656,000	—
Building improvements	43,607,000	22,824,000	20,783,000
Leasehold improvements	1,394,000	764,000	630,000
Plant machinery and equipment	63,259,000	45,106,000	18,153,000
Office machinery and equipment	9,095,000	6,608,000	2,487,000
Computer software	562,000	365,000	197,000
Furniture and fixtures	347,000	233,000	114,000
Motor vehicles	757,000	599,000	158,000
Capital improvements in progress	55,000	—	55,000
Totals	\$137,709,000	\$85,155,000	\$52,554,000

(6) Accounts Payable

Accounts payable comprised the following:

Category	September 30	
	1990	1989
Commercial printing	\$ 53,605,000	\$ 88,770,000
U.S. Government agencies	10,588,000	7,649,000
Other	5,835,000	5,503,000
Totals	\$ 70,028,000	\$101,922,000

(7) Advances from Customers

Advances from customers comprised the following:

Category	September 30	
	1990	1989
Advanced billings to customer agencies*	\$ 2,636,000	\$ 38,222,000
Customer deposits for publication orders	8,964,000	8,308,000
Deferred subscription revenue	21,882,000	20,338,000
Undelivered publication orders	1,468,000	2,393,000
Totals	\$ 34,950,000	\$ 69,261,000

*Fiscal year 1989 includes \$33,304,000 advanced from the Bureau of the Census for printing and reproduction services related to the 1990 Decennial Census.

(8) Amount Due U.S. Treasury

Title 44 requires GPO to deposit in the U.S. Treasury excess receipts from sales of publications. The amount due the U.S. Treasury as of September 30, 1990, was determined as follows:

Amount due U.S. Treasury, September 30, 1989	\$ 2,262,000
Fiscal Year 1990 Excess Receipts	6,424,000
Amount due U.S. Treasury, September 30, 1990	\$ 8,686,000

(9) Contributed Capital

Contributed capital was derived from the following:

Contributed Capital	September 30	
	1990	1989
Beginning net worth when the Revolving Fund was established	\$ 33,807,000	\$ 33,807,000
Book value of contributed buildings and land	415,000	454,000
Appropriations for improvements to air conditioning and electrical systems	12,900,000	12,900,000
Appropriations for working capital and site acquisition	62,600,000	62,600,000
Donated equipment	230,000	290,000
Totals	\$109,952,000	\$110,051,000

(10) Expended Appropriations

Expended appropriations were as follows:

Programs	September 30	
	1990	1989
Congressional Printing and Binding	\$ 68,846,000	\$ 74,953,000
Depository library distribution	21,230,000	19,332,000
Cataloging and Indexing	2,664,000	2,103,000
By-law distribution	988,000	924,000
International exchange	523,000	482,000
Totals	\$ 94,251,000	\$ 97,794,000

(11) Reconciliation to Budget Report

The following schedule reconciles the total expenses as reported on the Statement of Revenue and Expenses by Function and Retained Earnings, with outlays as reported in the Office of Management and Budget Report, SF-133, "Report on Budget Execution," and other supplemental reports at September 30, 1990.

Total Expenses per Statement of Revenue and Expenses by Function and Retained Earnings	\$ 925,508,000
Add: Congressional Printing and Binding	
Appropriation Expenditures not included above	<u>68,846,000</u>
Total Operating Expenses	\$ 994,354,000
Budgetary Outlays Not Included as Expenses:	
Capital Expenditures	\$ 5,875,000
Net Decrease in Accounts Payable	42,265,000
Increase in Prepaid Expenses	<u>120,000</u>
Subtotal	\$ 48,260,000
Items Not Requiring Outlays:	
Depreciation	(6,311,000)
Change in Allowance Accounts:	
Bad Debts	(1,057,000)
Surplus Publications	(600,000)
Increase In Annual Leave	
Accrual Adjustment	(353,000)
Decrease in Inventories	(3,151,000)
Book Value of Retired Assets	<u>(19,000)</u>
Subtotal	(\$ 11,491,000)
Gross Disbursements	\$1,031,123,000
Less Offsetting Collections:	
Total Revenue per Statement of Revenue and Expenses by Function and Retained Earnings:	
In-House Printing	229,617,000
Purchased Printing	634,610,000
Sales of Publications	83,245,000
Agency Distribution	4,907,000
Salaries and Expenses	25,433,000
Less Eliminations	<u>(42,239,000)</u>
Total Revenue	\$935,573,000
Less: Salaries and Expenses	(25,433,000)
Sales to Depository Library Program	29,000
Sale of Land	<u>513,000</u>
Subtotal	\$ 910,682,000
Net Outlays	\$ 120,441,000

United States Government Printing Office
(as of September 30, 1990)

